Report

Essential element: why international aid for water, sanitation and hygiene is still a critical source of finance for many countries.

A WaterAid report with analysis provided by Development Initiatives
July 2015

Catarina and her granddaughters collect unsafe water, Cuvir Rainha, Niassa, Mozambique.

Contents

Acronyms

AFD	French Development Agency
AfDB	African Development Bank
AfDF	African Development Fund
ADB	Asian Development Bank
AsDB Special Funds	Asian Development Bank Special Fund
BADEA	Arab Bank for Economic Development in Africa
CRS	Creditor Reporting System
DAC	Development Assistance Committee
DFI	Development Finance International
ECHO	European Commission's Humanitarian Aid and Civil Protection Department
EU	European Union
EUWI	European Union Water Initiative
FDI	Foreign direct investment
GDP	Gross domestic product
GGGI	Global Green Growth Institute
GLAAS	Global Analysis and Assessment of Sanitation and Drinking Water
GNI	Gross national income
IATI	International Aid Transparency Initiative
IDA	International development agency
IDB	Inter-American Bank
IBRD	International Bank for Reconstruction and Development
JICA	Japan International Cooperation Agency
JMP	WHO/Unicef Joint Monitoring Programme
LDC	Least developed country
MCC	Millennium Challenge Corporation
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
OFID	Organisation of Petroleum Exporting Countries Fund for International Development
OOF	Other official flow
PPP	Purchasing power parity
SDG	Sustainable development goals
SWA	Sanitation and Water for All Partnership
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
Unicef	United Nations Children's Fund
US$	United States dollar
WASH	Water, sanitation and hygiene
WHO	World Health Organization

Executive summary

Findings and recommendations [i]

- A Sustainable Development Goal (SDG), which aims to reach everyone with safe water, sanitation and hygiene by 2030, will only be achievable if Official Development Assistance (ODA) retains a key role in international development policy.
- A credible SDG will also require increased ODA volumes to the 45 most vulnerable and under-resourced countries identified in this report, with a strong focus on equity, sustainability and strengthening systems.
- Alternative sources of finance— growth in domestic resources, remittances, foreign direct investment and other official flows— will not be sufficient to bridge the outstanding financing gaps in the medium-term.
- ODA to water, sanitation and hygiene should at least double from current levels by 2020, with an emphasis on grant financing, effective targeting, and closure of the gap between commitments and disbursements. A reassessment of progress and financing gaps should take place in 2020.
- The Third International Financing for Development Conference in Addis Ababa in July 2015 should reaffirm the vital contribution of ODA in financing the human right to water and sanitation and other essential services.
- The Conference should commit to ensure that **no country with a credible national plan for achieving the SDGs, including universal access to water, sanitation and hygiene, should fail for lack of finance.**
- National governments and donors should act decisively to improve aid effectiveness and strengthen country systems: through increased transparency, pooling of resources, more technical assistance, and aligning and harmonising all stakeholder inputs behind national processes.

2015 is a landmark year for the water, sanitation and hygiene sector. It brings to a close the Millennium Development Goal period, marked by its many successes but also its failures. It also signals the start of the new SDG era with all countries committing to end water and sanitation poverty for good, achieving universal provision of these essential services by 2030 at the latest. Effective financing is critical to this new agenda and many developing countries face an increased number of options for financing their national plans—from domestic, international, public and private sources—than they did at the turn of the millennium. Related to this, the increased availability of private finance and some real progress made in lifting economic growth rates has led to an assumption that international aid is declining in importance, even becoming redundant.

The evidence suggests otherwise, however. This new WaterAid report, based on analysis by Development Initiatives, shows that for many low-income, Least Developed

Countries and fragile states, international aid or ODA remains a vital resource for financing development. For more than a quarter of countries the ambitions for a bold new poverty eradication agenda will fail, and the aim of a world where everyone enjoys the fundamental human right to water and sanitation will go unrealised, unless a significantly renewed impetus is given to international aid.

45 priority countries for aid investments

The report identifies 45 countries which – by virtue of the proportion of their people without access to the bare minima of water, sanitation and hygiene services, their low national resource availability and overall levels of poverty – are counted as high priority countries for aid investments in water, sanitation and hygiene. To identify this group, all developing countries were measured against five key indicators: three that relate to basic water and sanitation need, one to overall vulnerability and deprivation, and one to financial capacity.[ii]

Sub-Saharan Africa is the region with the largest grouping of countries among the 45 (36 countries) followed by South and Central Asia (5 countries), South East Asia (1 country, Cambodia), Oceania (1 country, Papua New Guinea), North and Central America (1 country, Haiti), and the Middle East (1 country, Yemen).[iii] Table 1 below lists the countries and selected indicators.

Table 1: 45 priority countries for aid investments in water, sanitation and hygiene

Country	Share of population in extreme poverty	Share of population without access to sanitation	Annual government revenue per person (excluding grants and loans) US$	Least Developed Country status	Annual aid per person, US$, 2013[iv]
Afghanistan	24%	71%	203	Yes	2.7
Angola	43%	40%	3,275	Yes	1.1
Bangladesh	40%	43%	330	Yes	0.9
Benin	52%	86%	322	Yes	5.5
Burkina Faso	41%	81%	309	Yes	5.4
Burundi	80%	53%	290	Yes	2.0
Cambodia	10%	63%	481	Yes	3.8
Cameroon	25%	55%	510	No	0.8
Central African Republic	57%	78%	51	Yes	1.5
Chad	37%	88%	458	Yes	1.5
Comoros	48%	n/a	304	Yes	4.7
Congo, DR	84%	69%	85	Yes	2.2
Congo Republic	33%	85%	2,899	No	2.1
Cote d'Ivoire	37%	78%	501	No	0.9
Ethiopia	37%	76%	225	Yes	1.9

Ghana	18%	86%	648	No	2.3
Guinea	41%	81%	246	Yes	0.7
Guinea-Bissau	49%	80%	122	Yes	2.3
Haiti	52%	76%	211	Yes	2.2
India	25%	64%	1,022	No	0.4
Kenya	38%	70%	590	No	4.0
Lesotho	46%	70%	1,509	Yes	47.5
Liberia	70%	83%	125	Yes	4.8
Madagascar	88%	86%	133	Yes	1.1
Malawi	72%	90%	180	Yes	5.9
Mali	51%	78%	264	Yes	3.2
Mauritania	24%	73%	1,047	Yes	5.3
Mozambique	55%	79%	287	Yes	6.7
Nepal	25%	63%	405	Yes	2.5
Niger	41%	91%	153	Yes	2.2
Nigeria	60%	72%	634	No	0.8
Pakistan	13%	52%	706	No	0.3
Papua New Guinea	7%	81%	587	No	0.3
Rwanda	63%	36%	185	Yes	3.3
Senegal	34%	48%	452	Yes	4.3
Sierra Leone	57%	87%	205	Yes	7.1
Somalia	47%	n/a	n/a	Yes	0.7
South Sudan	47%	91%	613	No	2.7
Sudan	17%	76%	408	Yes	1.0
Tanzania	43%	88%	340	Yes	3.5
Togo	52%	89%	244	Yes	1.5
Uganda	37%	66%	222	Yes	2.2
Yemen	5%	47%	881	Yes	2.4
Zambia	73%	57%	651	Yes	6.8
Zimbabwe	47%	60%	285	No	3.9

Source: IMF, OECD Creditor Reporting System (CRS), UNCTAD, World Bank

A steep path to universal access in 2030

A survey of some of the indicators provides a stark assessment of the challenges facing the group. None of the countries met the Millennium Development Goal sanitation target, and less than half reached the water target. Furthermore, those people counted as having access to 'improved water' may not be drinking water that is safe: a 2013 study of water quality found that the current definition of 'improved' does not reliably predict microbial safety.[v] In 15 of the countries, more than 80% of the population is without basic sanitation. Average deaths from diarrhoea for the 45 countries are over twice as high as the developing country average; in six countries, the rate is over four times higher.[vi]

More than half of the countries in the group register very low government revenue per capita, at less than $400 annually.[vii] With such low levels of feasible revenue available to government, the scope for domestic public spending on basic services is inevitably severely constrained and therefore unable to meet the huge needs. High levels of

poverty similarly point to limited scope for adequate household spending and investment.

Taken together, these indicators suggest that the 45 countries face a very steep path towards universal access in 2030. It is unlikely that they will be able to climb this path successfully solely on the basis of domestic resources available, now or in the medium term.

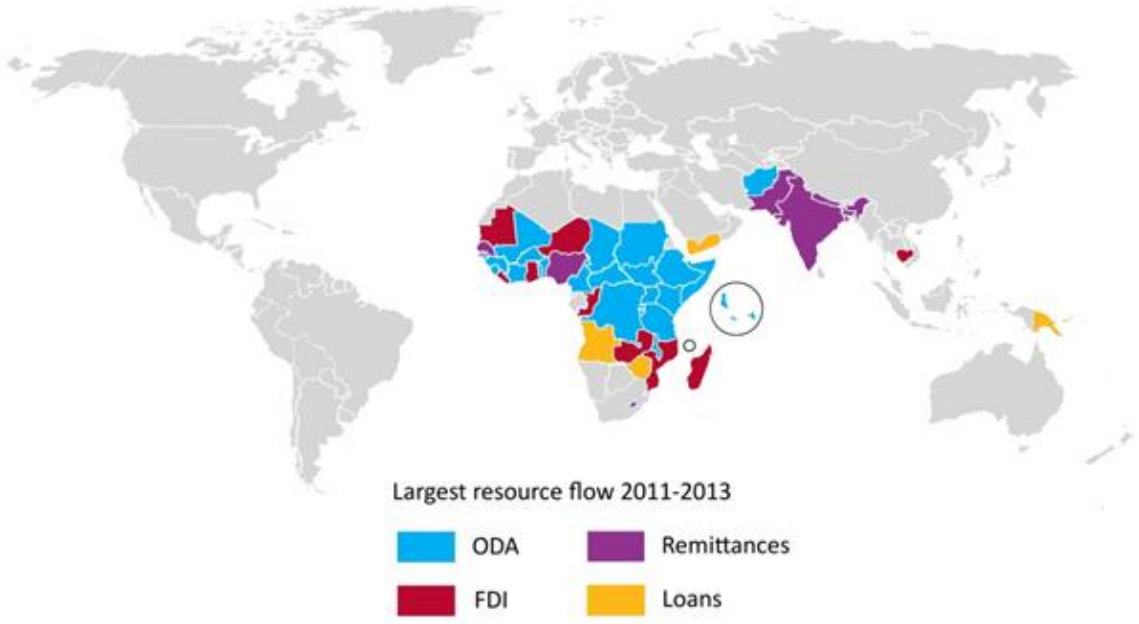
The profile of available international financing

International financial flows will be an important part of funding the post-2015 development framework, and for many developing countries a broader range of external finance is available than 15 years ago at the beginning of the Millennium Development Goal period. This diversity of flows includes private and public long- and short-term loans, foreign direct investment, remittances, ODA, private philanthropy, development finance institutions, portfolio equity and South–South development co-operation. The new report compares four of the main international resource flows to priority countries relative to ODA: foreign direct investment, remittances, long-term loans and other official flows.[viii]

The total resource mix to the 45 priority countries in 2013 reached US$352 billion, including aid. At US$140 billion, remittances were the largest international resource flow, but as a source of finance for achieving an SDG on water and sanitation its reach is limited. The majority of the money benefitted just four out of the 45 countries (India, Nigeria, Pakistan and Bangladesh accounting for US$120 billion).

Loans were the next greatest source of capital flow at US$91 billion. Again, more than two-thirds of the money was taken up by just four out of the 45 priority countries (India, Papua New Guinea, Angola and Yemen accounting for US$65 billion). Aid is the third largest resource at US$64 billion across all sectors (Afghanistan, Democratic Republic of Congo, Ethiopia, Pakistan and Kenya accounting for US$20.4 billion), followed by foreign direct investment at US$54 billion (India, Nigeria, Mozambique, Ghana, Democratic Republic of Congo and Congo Republic accounting for $49 billion). Other official flows provided less than US$4 billion in capital. Map 1 below shows the largest international resource flow for each priority country.

Map 1: Largest international resource flow for each priority country, based on 2011–2013 average volumes



Source: OECD CRS, UNCTAD, World Bank and IMF

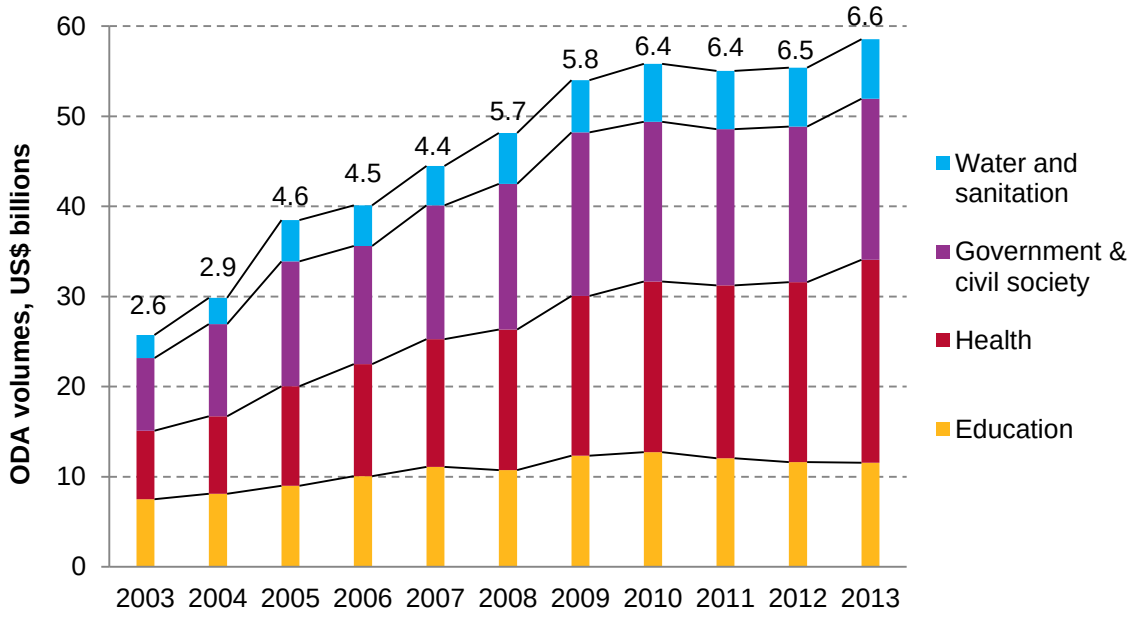
Although in aggregate it is not the largest flow, for 24 out of the 45 priority countries ODA is the single largest flow. For nine countries, FDI is the largest resource flow, remittances the largest flow for eight countries, and loans are the largest flow for four countries. ODA is the most evenly spread of these sources of finance, so even for targeting efficiency it is arguable that ODA is the best form of development finance.

The share of aid grants in government revenue provides another indicator of the importance of ODA for priority countries. For 20 countries in the group, the share of ODA grants in total government revenue is 10% or more, and for ten of these countries (Burundi, Rwanda, Afghanistan, Malawi, Haiti, Comoros, Guinea Bissau, Niger, Guinea, Democratic Republic of Congo) ODA grants form 25% or more of government revenue.[ix]

The profile of aid to water and sanitation

Aid is the most important source of international support directed to reducing poverty and enhancing access to basic services in developing countries. In 2013, global aid flows to water and sanitation reached US$6.6 billion—a ten-year high. However, while volumes have increased, water and sanitation ODA has fallen to a smaller share of global aid, representing 3.9% of all aid. Figure 1 below shows flows of ODA between 2003 and 2013, comparing ODA volumes in the water and sanitation sector with volumes in other key sectors (education, health and government and civil society).

Figure 1: ODA gross disbursement volumes to social sectors, 2003-2013, US$ billions[x]



Source: OECD CRS

The largest recipient of water and sanitation aid in 2011–13 (three-year annual average) was India ($437 million), followed by Vietnam ($387 million), China ($240 million), Tanzania ($183 million), Morocco ($178 million), Indonesia ($177 million) and Ethiopia ($170 million). Of the 45 priority countries, 22 are among the top 45 aid recipients for the sector. However, over half of the priority countries are outside the top 45 aid recipients, suggesting that while aid is currently the most effective form of finance in terms of targeting need, there is still significant scope for the international community to improve the targeting of its ODA. A number of priority countries currently or recently affected by conflict and political instability, such as South Sudan, Madagascar, Liberia, Somalia and the Central African Republic, received some of the smallest volumes of aid.

Bilateral aid to the sector still the most significant

Country-to-country or bilateral aid continues to make up the bulk of aid to the sector, although the proportion delivered multilaterally is increasing. The largest bilateral donor to the sector is Japan, providing US$1.6 billion in aid over 2011-13 (three-year annual average), with Germany second largest (US$614 million) and USA and France each providing around US$400 million. South Korea's bilateral aid to the sector has shown the fastest growth over the past decade with a 20-fold increase. Among bilateral donors, Denmark and the United Kingdom have the highest percentages of their aid delivered to the 45 priority countries, with 82% and 77% respectively. However, only five others have 50% or more of their aid going to the priority countries: Finland (55%), USA (54%), Canada (52%), Luxembourg (51%) and Belgium (50%). Historical or strategic interests continue to influence, and in some cases dominate donor decisions on destinations for their aid. The politicisation of targeting priorities is not, in the context of reaching

everyone everywhere by 2030, a rational approach, nor is it coherent with internationally agreed development goals.

Increasing levels of multilateral aid to the sector

Aid to water and sanitation is increasingly delivered multilaterally, with total multilateral ODA to the sector reaching US$2,062 million in 2011–13 (three-year annual average). The International Development Association was the largest multilateral donor with an annual average of US$785 million, followed by European Union institutions (US$599 million), the African Development Fund (US$205 million), the Asian Development Bank Special Funds ($201 million) and the Inter-American Development Bank Special Fund (US$91 million).

On average, 40.7% of multilateral aid to the sector goes to priority countries. Among multilateral donors, three agencies do particularly well at targeting the countries with the greatest need and lowest resource availability—the African Development Fund, the Arab Bank for Economic Development in Africa and Unicef—target more than 90% of their aid to the sector to priority countries. The largest donors to the sector, the International Development Association and the European Union, provided 69% and 41% respectively of their aid to priority countries.

Small but increasing levels of foundation grants

Funds approved by foundations have increased in recent years, reaching US$181 million in 2012,[xi] delivered through 340 projects. The largest donor by far was the Bill & Melinda Gates Foundation (US$119 million), followed by the Coca Cola Foundation, the Stone Family Foundation and the PepsiCo Foundation. The highest amount of grants from foundations all went to priority countries—India ($16.5 million), Nigeria ($12.3 million), Senegal ($5.7 million), Burkina Faso ($4.2 million), Cambodia ($4.2 million) and Zambia ($3.7 million). While the objectives of funds are to be lauded, the volume of their financial contribution matched against the scale of the challenge of reaching everyone suggests the need for a greater selectivity, with choices based on maximising impact beyond those immediately reached.

Making aid more effective

The severe challenges facing priority countries places even greater importance on ensuring finances are used as effectively as possible. For ODA, this means maximising the catalytic impact of aid by ensuring it is used to build the capacity of governments to deliver and sustain services for all, in accordance with internationally agreed principles of aid and development effectiveness.[xii] Current evidence of aid effectiveness in the water and sanitation sector is lacking, leading to crucial data gaps; however, the information available suggests the effectiveness of sector aid may be lagging behind other sectors, particularly in priority countries.

Aid can be made more effective by increasing the focus given to sustainability of services, Tika Gharti, Bardhya District, Nepal.

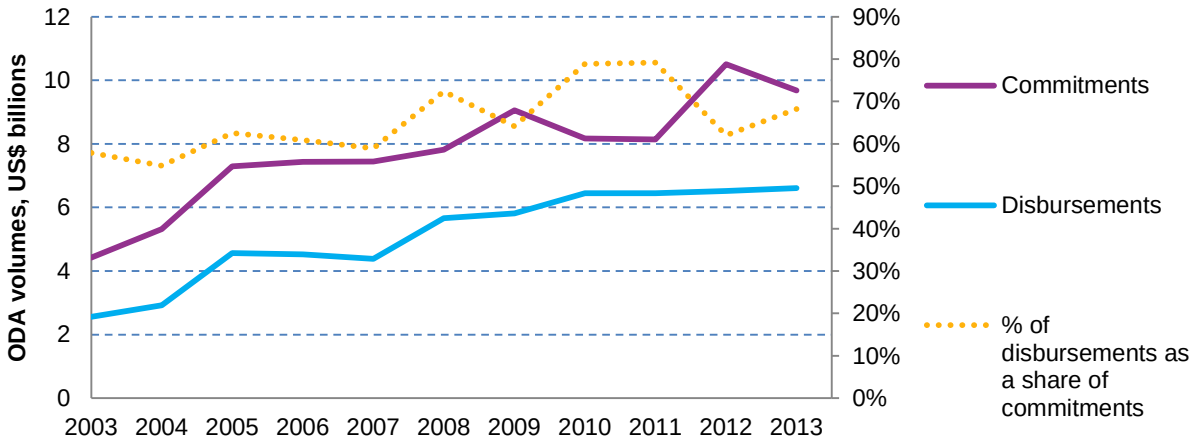
In addition to the issue of improving country-targeting of aid, the report highlights several areas where aid could be made more effective. These include: (i) addressing the significant gap between commitments made and actual funds released, (ii) providing more aid in the form of grants rather than loans, (iii) increasing the proportion of aid going to sanitation, (iv) reducing the strong reliance on project-based aid, and (v) improving the timeliness and level of aggregation of reporting.

Closing the gap between committed and disbursed funds

Multi-year commitments can explain why disbursements are below commitments for any given year; however, a substantial gap persists between commitments and disbursements even when aggregated over a longer period as shown in Figure 2.

Assuming that aid projects run for an average of three years, over time, disbursement levels should match commitment levels; during 2011–2013, however, only 69% of committed funds were released, suggesting that for many countries and donors there would be significant benefits from addressing financial absorption constraints. In some cases this could mean simplifying donor administrative procedures, pooling resources more effectively, addressing human resource gaps, increasing the predictability of external financing and reducing the very high reliance on project-based aid.

Figure 2: Commitments and disbursements to water and sanitation, all recipients, US$ billions, all donors



Source: OECD CRS

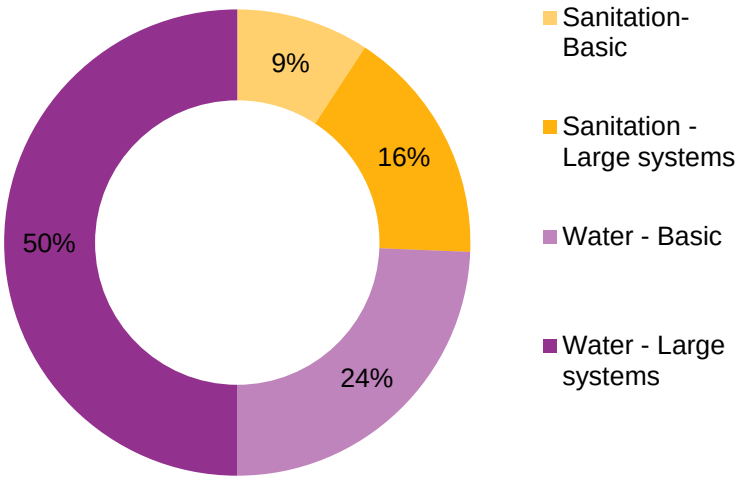
Raising the percentage of grants relative to loans

The report also highlights how the proportion of loans in water and sanitation ODA has increased. In 2013, only half of total aid to water and sanitation was formed of grants, which marks the third year in a row where loans are half of aid to the sector. Loans increased by 205% over 2003–2013, mainly going to large-system projects, compared with a 123% increase for grants over the same period. As loans must be repaid and potentially undermine financial sustainability of services, grants can be seen as more appropriate for resource-constrained countries such as priority countries. However, the share of grants in the aid provided to priority countries has decreased in recent years, standing at only 56% in 2013.

Strengthening the emphasis on sanitation and hygiene

For the 45 priority countries, half of aid in 2013 that can be disaggregated went to large water systems (50%), followed by water basic systems (24%). Figure 3 shows that only a quarter of aid going to these countries for water and sanitation was spent on sanitation, and was mainly delivered as large systems (16%). Only 9% went to basic sanitation. The Millennium Development Goal sanitation target has been missed by a substantial margin, and the weakness of the national and international response to this growing crisis with millions of preventable child deaths must count as one of the greatest development and moral failures of the last 15 years. This urgently needs to be addressed in the early years of the SDG period.

Figure 3: Aid to 45 priority countries by water and sanitation sub-sector, 2013, share of total aid that can be disaggregated

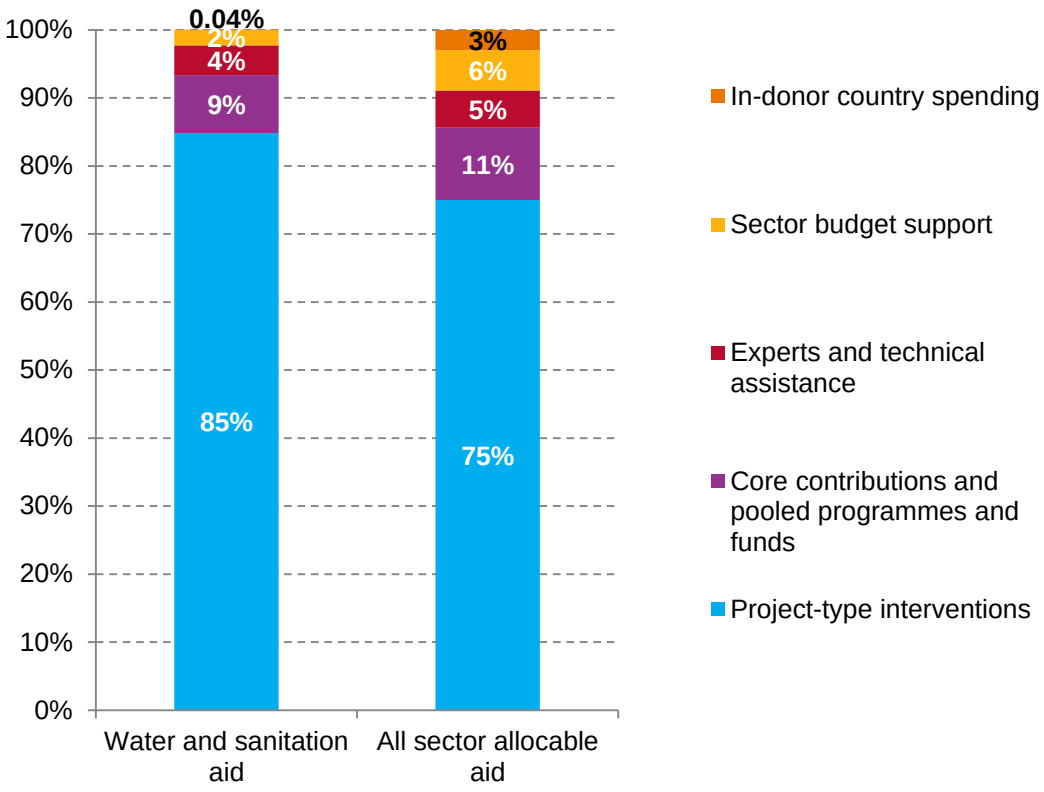


Source: OECD CRS

Increasing pooled programmes and budget support

The way water and sanitation aid is delivered is a key determinant of its effectiveness, as it relates to the principles of ownership, use of country systems and capacity-building. For example, project-type interventions are criticised for enabling donors to remain fully in control of funds, having high transaction costs and undermining the political and administrative systems of recipient countries, whereas budget support makes full use of countries' systems but carries higher risk. Figure 4 shows that, in 2013, 85% of water and sanitation aid was delivered as project-type interventions—10% more than the average for overall aid. In contrast, only 2.4% of water and sanitation aid was delivered as sector budget support, a relatively low share compared with other sectors (overall, 6% of all aid is spent as budget support). Priority countries received an even greater share of their water and sanitation aid as project-type interventions than the sector overall (88% of aid to the sector in 2013).

Figure 4: Aid to water and sanitation and sector allocable aid by modality, 2013



Source: OECD CRS

Improving transparency through more timely and disaggregated reporting

The water and sanitation sector faces challenges in transparency on several levels. There are numerous organisations involved in delivery of water and sanitation services, including line ministries and private sector stakeholders, and the quality and comprehensiveness of reporting varies considerably. The report focuses on aid flows from the Organisation for Economic Co-operation and Development's Development Assistance Committee (DAC), reported through the Creditor Reporting System, and although this represents the majority of aid to the sector, ODA flows from non-DAC donors—particularly from China, India, Brazil and the Gulf States—are significant and rising fast. Data on non-DAC donors is often more difficult to obtain.

For DAC data, there is still almost a year's delay before aid to specific sectors is reported. Effective delivery of aid relies on predictable resource flows, and providing information about donors' forward spending plans is particularly important for preparing a national budget. Among external support agencies, 15 out of the 23 surveyed reported having a clear aid budget that is subject to parliamentary scrutiny.[1] This highlights the need for greater transparency and accountability among donors, which would enable national governments to plan how to allocate resources using aid information.

There is also a lack of transparency over the grant element in ODA loans: loans with low concessionality (for example, just over 25%) are valued the same as highly concessional loans. In December 2014, the DAC proposed that only the grant element of loans be counted as ODA. This will lead to a significant improvement.

Disaggregation between sub-sectors is limited, making it difficult to assess accurately allocations between water and sanitation. For example, it is not possible to obtain data on ODA directed at improving hygiene, and there is no systematic disaggregation of ODA to rural areas from ODA to urban areas.

Financing gaps

The low levels of financing and the poor targeting of finance from non-official sources point to the indispensability of aid if the world has any chance of fulfilling the vision set out in its post-2015 SDG agenda. The finance gap to meet Millennium Development Goal targets is significant for a majority of priority countries. Forty of the priority countries responded on the finance gap to the Global Analysis and Assessment of Sanitation and Drinking Water 2014; of these, 19 countries reported having less than 50% of the finance needed across all four areas of rural and urban water and sanitation.[xiii] To meet the SDG target of universal access to water and sanitation, priority countries that lack finance to meet Millennium Development Goal targets will experience an even greater finance gap. The selection of priority countries highlights those characterised by a lack of government revenue. This points to a vital role for international finance in these countries to finance universal access.

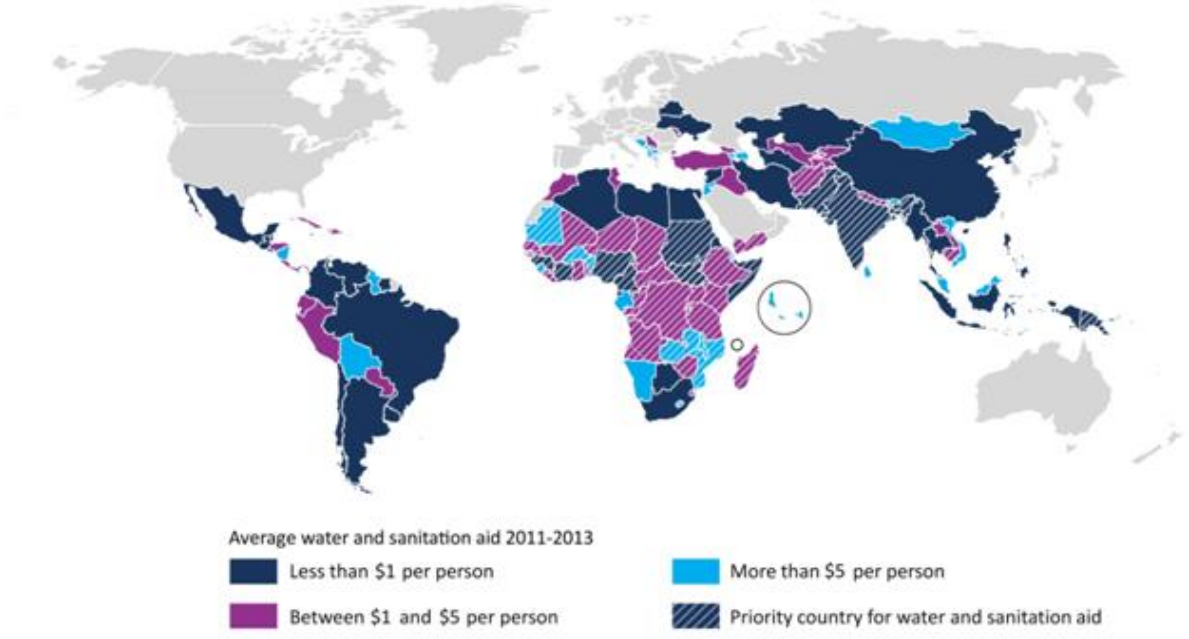
The new report draws on 2012 World Health Organization data to make a rough estimate of developing country financing gaps in the sector. It identifies a gap of US$39 billion annually, comprising US$14.8 billion annually for water and US$24.2 billion for sanitation.[xiv] This compares with US$6.6 billion in annual aid to water and sanitation, based on an annual average over 2011–2013. The finance gap therefore represents almost six times the annual water and sanitation aid budget. For example, Sub-Saharan Africa would need US$9.1 billion annually for the sector, compared with the US$2.4 billion aid it currently receives.[xv]

Water and sanitation aid per person

The report also maps water and sanitation aid per person. Over half of the priority countries receive less than US$2.5 per person per year, some less than $1 per person (see Map 2 below). At these levels of aid, water and sanitation interventions can have only marginal impact when considered against the overall global picture.

Finance gaps can be met through a mix of resources, public, private, domestic and international, but given the constraints of lack of feasible domestic revenue available in countries facing widespread poverty and economic fragility, substantial increases in ODA will need to be part of the equation. This is ultimately a matter of political choice rather than affordability, as the comparison with two major global industries in the report illustrates.[xvi]

Map 2: Map of water and sanitation aid to countries per person, based on 2011–2013 annual average



Source: OECD CRS and World Bank

Conclusion and recommendations

On the eve of the new post-2015 sustainable development framework, it is important to learn from the successes and failures of the Millennium Development Goal period—success in achieving the water target early, but widespread neglect of sanitation and hygiene and the related failure to meet the sanitation target. It is also important to look ahead at the challenges that will have a major impact on delivering universal access to water, sanitation and hygiene—including inequality between and within countries, growing populations, urbanisation, climate change and stress on water resources—and factor these realistically into policy choices and financing options.

Aid remains the main source of financing for many developing countries needing to increase their water, sanitation and hygiene spending, and although the medium- to long-term aim for all of them is to graduate from dependence on aid, ending aid flows prematurely would have very serious consequences, particularly for the poor, vulnerable and marginalised, and would heighten the risk for outbreaks of disease pandemics.

The report shows that for many countries aid will be a vital international resource to support the achievement of universal access to water, sanitation and hygiene. However, levels at US$6.6 billion a year are too low to make the necessary impact needed for the poorest countries to get on track for universal access in the early years after 2015. We repeat similar calls, made in an earlier report *Addressing the shortfall* in 2012, for the international community to double the volumes of aid to the sector by 2020, closing the gap between commitments and disbursements, and with a strong focus on targeting the countries identified as priorities for investment .This should be part of a broader drive on

ODA: high-income countries should allocate 0.7% of gross national income to ODA, including 0.15–0.2% to Least Developed Countries, with short-term binding timetables for donors falling short. A re-evaluation of progress towards universal access to water, sanitation and hygiene, and financing gaps should take place in 2020.

Ending aid flows prematurely would have serious consequences for the poor and vulnerable, Margaret Among, Amuria, Uganda.

This increase in aid volumes to the sector should go hand in hand with renewed efforts to improve the transparency and effectiveness of aid. At the Addis Ababa Conference, all partners should renew the commitments made in Paris, Accra and Busan. These include efforts to build local ownership, harmonise and align external support behind country objectives and local systems, improve joint monitoring and reporting of results, and establishing mutual accountability and transparency in implementation. The Sanitation and Water for All Partnership, with 36 of the priority countries and the seven largest donors to the sector as partners, offers a strong platform for delivering on this agenda.

June 2015. This synthesis report was written by WaterAid's Post-2015 Advocacy Working Group, with key contributions from Clare Battle, John Garrett, Henry Northover and Apollos Nwafor.

Introduction

2015 marks the year when the Millennium Development Goals (MDGs) come to an end. The world will have met the MDG target of 88% of people accessing improved water sources, but it will not meet the MDG target of 75% of people accessing improved sanitation facilities. This means that 748 million people were using unimproved water sources in 2012, and 2.5 billion people were using unimproved sanitation facilities. Rural areas are lagging behind in access, particularly in least developed countries and in sub-Saharan Africa.

Among aid donors and national governments the vision is broadening, from enhancing access to improved water and sanitation, to ensuring universal access by 2030. Universal access to water and sanitation is proposed as Goal 6 of the sustainable development goals. Achieving universal access will demand additional levels of finance, as current levels have been insufficient for many countries to meet the current MDGs.

All financial resources can play a role in supporting the delivery of basic services including water and sanitation. However, aid plays a unique role as a resource that can be targeted to poverty reduction and service delivery in the most deprived and vulnerable contexts. Where domestic financial resources are lacking, aid, alongside other international official financing, is a key resource that can be targeted to meet needs in water and sanitation.

To realise universal access by 2030, aid must be targeted to places and people where need is high, and domestic capacity to respond to these needs is low. This report identifies 45 priority countries where there is continuing high need for water and sanitation aid. It identifies countries on the basis of deprivation data including on access to water and sanitation. Countries' capacities to respond to these needs, based on government revenues (excluding grants), is also a measure of country selection. This report then maps needs against resources available to countries, focusing on aid resources and other international resource flows.

Enhancing aid effectiveness in water and sanitation is essential to ensuring that benefits from aid investments are sustainable. In particular, targeting capacity development and ownership is crucial to ensure that progress is sustained. Aid investments in the water and sanitation sector need to be delivered in a way that can be financially absorbed and delivers the most impact to the most deprived people. Improved data will be needed, including measuring water safety and sustainability, to measure progress to universal access, and how aid responds to inequities within countries.

Report structure

Part 1 gives an overview of needs and progress in the water and sanitation sector.

Part 2 identifies 45 ‘priority countries’ for aid investments in water and sanitation, based on country needs and capacity to respond to these needs.

Part 3 maps recent trends in aid to water and sanitation, where aid goes, and aid flows against priority countries.

Part 4 maps water and sanitation aid flows to sub-sectors.

Part 5 analyses aid flows by donor.

Part 6 looks at what aid is made up of, including loans and grants.

Part 7 discusses the effectiveness of water and sanitation aid, defined through ownership, results and accountability.

Part 8 looks at non-aid resource flows to priority countries, including other official flows, loans, foreign direct investment and remittances.

Part 9 summarises findings.

Part 1 Global progress in water and sanitation: successes, continuing needs, and finance gaps

1.1 Mixed progress to the Millennium Development Goals

Significant progress in water and sanitation access has been recorded over the past 25 years. The Millennium Development Goal (MDG) 7 of "ensuring environmental sustainability" included Target 7C of "halving, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation". Between 1990 and 2012, 2.3 billion people have gained access to improved sources of drinking water, including 534 million people in India and 488 million people in China. Almost 1.9 billion people gained access to improved sanitation facilities, including 623 million people in China and 291 million people in India.

However, much remains to be done. Progress to MDG 7 has been uneven: the MDG water target of 88% of the global population having access to improved water sources was met, through the particular gains witnessed in China and India, but the MDG sanitation target of 75% having access to improved sanitation sources was not. Globally, the scale of needs remains important. According to the World Health Organization (WHO) and Unicef's Joint Monitoring Programme (JMP), 748 million people still lack access to improved drinking water sources and 2.5 billion people lack access to improved sanitation.[1] Further, important inequities remain across countries. Sub-Saharan Africa, for example, has much poorer coverage: only 66% of people had access to improved water sources and 30.1% had access to improved sanitation in 2014.[2]

Table 1. MDG goals in water and sanitation

Target 7: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.	**MDG target met?**	**Global proportion remaining without access**	**Global population remaining without access**
Water target: 88% of population use improved water sources	Yes	10%	748 million
Sanitation target: 75% of population use improved sanitation facilities	No	40%	2.5 billion

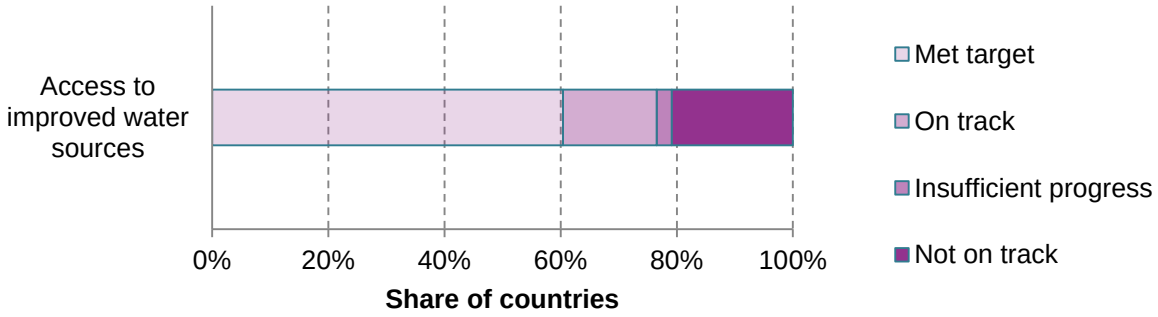
Source: WHO/ UNICEF JMP- Progress on Drinking Water and Sanitation – 2014 Update

[1] See WHO/Unicefnicef Joint Monitoring Programme
[2] See WaterAid WASH Map, WaterAid calculations based on WHO/Unicef Joint Monitoring Programme

At country level, 116 countries met the MDG water target and 31 were on track to do so in 2012. Forty countries are classified as not on track to meet the MDG target, and a further five show insufficient progress.[3]

Furthermore, access to safe water has been under-measured. “Improved” water sources may not necessarily be “safe”. A 2013 study of water quality found that the current definition of “improved” does not reliably predict microbial safety. Factors that contribute to microbiological risk among households with access to “improved” water sources include water storage practices, risks specific to piped water supplies and household water management practices – and JMP does not measure these.[4] Less than three-quarters of the 93 countries (70%) surveyed by WHO and UN-Water report carrying out independent surveillance of water quality against national standards in urban areas. For rural areas, less than half of countries (40%) report surveillance. Significant challenges, therefore, remain in ensuring that access to water is safe.[5]

Figure 1.1. Progress to MDG water target for individual countries, as a share of global progress for all countries

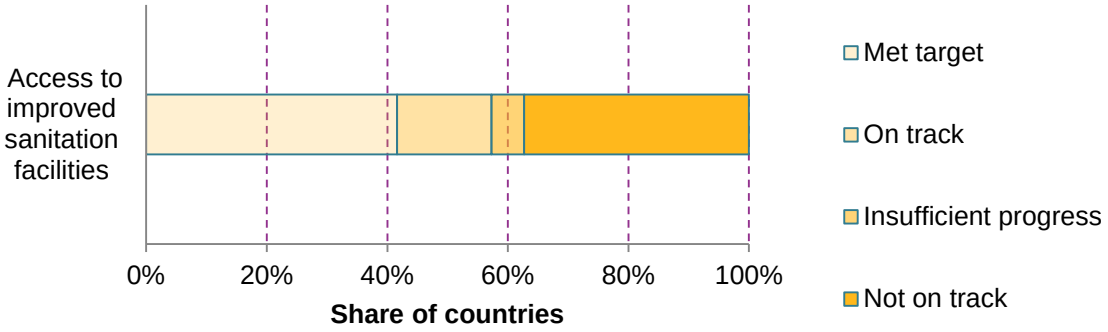


Source: WHO/ UNICEF JMP- Progress on Drinking Water and Sanitation – 2014 Update

The MDG Sanitation target was not achieved globally. According to the World Bank’s Global Monitoring Report 2014/2015, sanitation is the MDG target for which the second largest number of countries (81) can be identified as seriously off-track, , with only maternal health performance poorer. Only 77 countries achieved the MDG sanitation target based on JMP 2014, with a further 29 on track.[6] 10 countries show insufficient progress while a further 69 are completely off-track.

[3] The Global Monitoring Report estimates progress to MDG targets based on extrapolation of the latest five-year annual growth rates for each country. Sufficient progress indicates that the MDG can be attained. Insufficient progress is defined as being able to meet the MDG between 2016 and 2020. Moderately off target indicates that the MDG can be met between 2020 and 2030. Seriously off target indicates that the MDG will not even be met by 2030. Insufficient data means not enough data points are available to estimate progress.
[4] See Shaheed et al (2014)
[5] See GLAAS 2014, p.20
[6] The Global Monitoring Report and JMP show different figures for number of countries, with JMP providing the most recent data for water and sanitation.

Figure 1.2. Progress to MDG sanitation target for individual countries, as a share of global progress for all countries



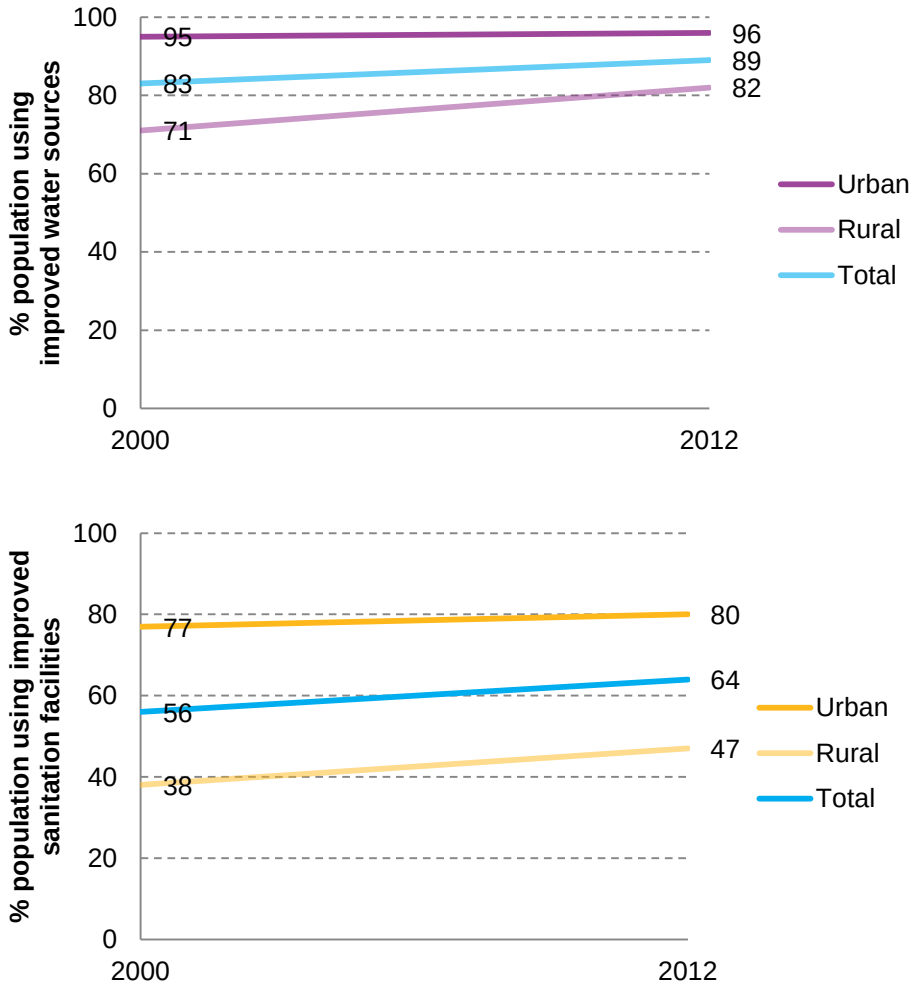
Source: WHO/ UNICEF JMP- Progress on Drinking Water and Sanitation – 2014 Update

Progress against the MDGs on water and sanitation access can, therefore, be considered mixed on a country-by-country basis. Further, **important inequities within countries also exist, notably a rural and urban divide in terms of access.**

In 2012, 89% of people in developing countries were using improved water sources: the MDG target of 88% having been met in 2010 (according to JMP). This included almost all urban populations (96%) and over four-fifths of rural population (82%), indicating that on water access needs are concentrated in rural areas. Progress in this area has been very slow, with only a 15% increase in the rural population using improved water sources since 2000. Progress in urban areas, starting from a much higher baseline, has been slower, with only a 1% increase. In sub-Saharan Africa, just over half of the rural population (53%) and over four-fifths of the urban population (85%) were using improved water sources.

In 2012, 64% of people in developing countries were using improved sanitation facilities. This included four-fifths of the urban population (80%) and less than half of rural areas (47%), indicating a large gap in rural and urban coverage. Global needs remain acute as more than half of the rural population in developing countries lack access to improved sanitation facilities. Progress has been slow, with an increase of only 24% since 2000 when 38% of the rural population was using improved sanitation facilities. Progress for the urban population in access to improved sanitation facilities has improved even more slowly, with only a 4% increase since 2000. In sub-Saharan Africa, less than a quarter of the rural population (23%) and less than half of the urban population (41%) are using improved sanitation facilities.

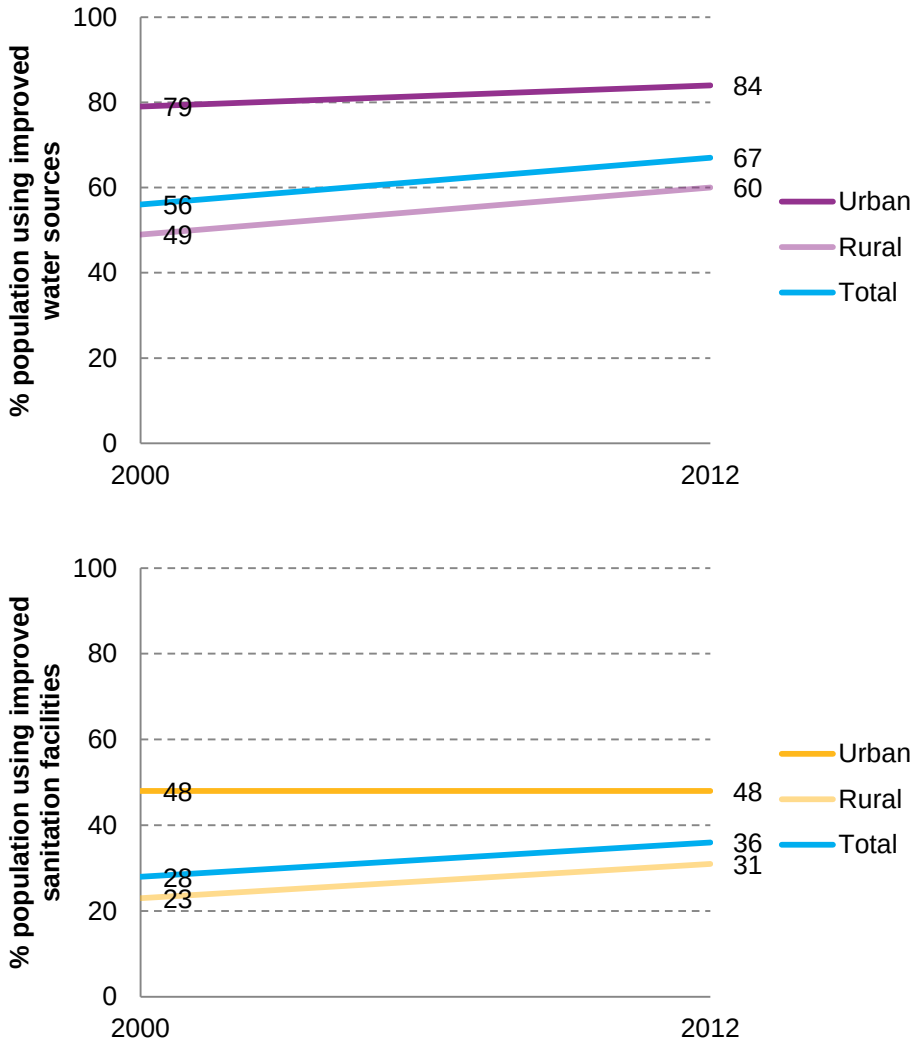
Figure 1.3 and 1.4. Share of population using improved water sources and sanitation facilities, 2000 and 2012, all developing countries



Source: WHO/ UNICEF JMP. Progress on Drinking Water and Sanitation 2014 Update

Among least developed countries (LDC), needs remain particularly acute in both rural and urban areas, and for both water and sanitation. As a group, LDCs are off-track to meet both the water and sanitation MDG targets. Access to improved water sources improved from 56% in 2000 to 67% in 2012 for LDCs, with stronger improvements in rural areas than urban areas. Needs in LDCs are even more acute for access to sanitation, with only around one in three people using improved sanitation facilities. Access to improved sanitation facilities increased from 28% in 2000 to 36% in 2012 for LDCs, yet progress was uneven with no improvements in access for the urban population, which has stagnated at 48% access since 2000. In 2012, only 31% of the rural population in LDCs had access to improved water sources, showing slow progress from 23% in 2000.

Figures 1.5 and 1.6. Share of population using improved water sources and sanitation facilities in LDCs, 2000 and 2012



Source: WHO/ UNICEF JMP. Progress on Drinking Water and Sanitation 2014 update

1.2 A vision for the post-2015 era: universal access to improved water and sanitation

The post-2015 era, following on from the MDGs, is marked by a new global vision for universal access to improved water and sanitation.

Global targets can help drive forward the agenda of improving access to water and sanitation. As the MDGs end in 2015, a new set of sustainable development goals (SDGs) is being developed to drive priorities and funding allocation decisions. The SDG proposal for the post-2015 era includes a vision of universal access to water and sanitation, and on sustainable management of water and sanitation. Goal 6 of the Open Working Group on SDGs is to "ensure availability and sustainable management of water and sanitation for all". This includes several sub-goals on universal access to safe and affordable drinking water by 2030, access to adequate and equitable sanitation and hygiene for all, and ending open defecation by 2030 (see Box 1). If UN member states agree to adopt the SDGs proposal at a UN summit in September 2015, the goals will become applicable from January 2016.

This SDG vision follows a number of landmark declarations by both developing countries and international organisations framing access to water and sanitation as a right, and recognising the need for accelerated progress in both access to and management of water and sanitation. In 2008 – the International Year of Sanitation – representatives from 32 African countries came together to address the urgent need for renewed commitment in sanitation, especially considering the poor performance in meeting its MDG target. The countries developed the eThekwini commitment, which includes a number of specific commitments such as allocating 0.5% of GDP to sanitation. On 28 July 2010, the United Nations General Assembly acknowledged that clean drinking water and sanitation are essential to realising all human rights. The General Assembly called on states and international organisations to provide financial resources, and to help in capacity-building and technology transfer to assist developing countries in providing safe, clean, accessible and affordable drinking water and sanitation for all. [7]

The vision of universal access to water and sanitation by 2030 is reflected in national plans of many developing countries. According to GLAAS 2014, two thirds of the 94 surveyed countries recognise both drinking water and sanitation as human rights in national legislation. National policies for drinking water and sanitation are largely in place with over 80% of countries having approved national policies.[8] However, less than a quarter of the 94 countries report having universal access *targets* for sanitation, and less than one third have for drinking water.[9] This shows the continuing need to strengthen national commitment and prioritisation of water and sanitation access to realise the vision of universal access globally.

[7] United Nations General Assembly (2010)
[8] See GLAAS 2014 Figures 2.8 and 2.1
[9] See GLAAS 2014 Annex D

The goal of universal access puts questions of equity and inclusion in access to water and sanitation services, and of environmental sustainability, on the agenda. Questions of equity and sustainability are interlinked. Water demand increases with population growth and rising living standards. Water stress from environmental degradation, climate change and pollution threaten future access to safe water. Water-related pollution in urban areas and water scarcity for agricultural production in rural areas are looming challenges for the world's poor, according to the Global Monitoring Report. In the MDG era, the sustainability dimensions of water supply and management and waste management remained largely under-monitored. A number of regional and national-level initiatives did consider these aspects. For example, the Africa Water Vision 2025 seeks to ensure equitable and sustainable use of water resources, and sustainable access to safe and adequate sanitation, to meet the basic needs of all.[10] Indeed, to ensure sustainable and universal access, the specific needs of the most vulnerable people, particularly poor people, need to be taken into account. The SDG proposal includes measures to ensure sustainable management and protection of natural resources, with the aim of ensuring availability of water and sanitation for all. At country level, 81% of low-income countries and 83% of middle-income countries have universal access policies that specifically include measures for poor people's access to water and sanitation, according to GLAAS 2014.[11] However, these measures are not consistently applied. In sanitation, only 17% of low and middle-income countries consistently apply financial measures that are targeted to poor people, against 23% for water.

[10] UN Water (2000)
[11] See GLAAS 2014 Table 2.2

Box 1. Open Working Group Proposal for Sustainable Development Goals

Goal 6: Ensure availability and sustainable management of water and sanitation for all

6.1 by 2030, achieve universal and equitable access to safe and affordable drinking water for all

6.2 by 2030, achieve access to adequate and equitable sanitation and hygiene for all, and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

6.3 by 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and increasing recycling and safe reuse by x% globally

6.4 by 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity

6.5 by 2030 implement integrated water resources management at all levels, including through trans-boundary cooperation as appropriate

6.6 by 2020 protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

6.a by 2030, expand international cooperation and capacity-building support to developing countries in water and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies

6.b support and strengthen the participation of local communities for improving water and sanitation management

Source: United Nations Open Working Group on Sustainable Development Goals, https://sustainabledevelopment.un.org/focussdgs.html

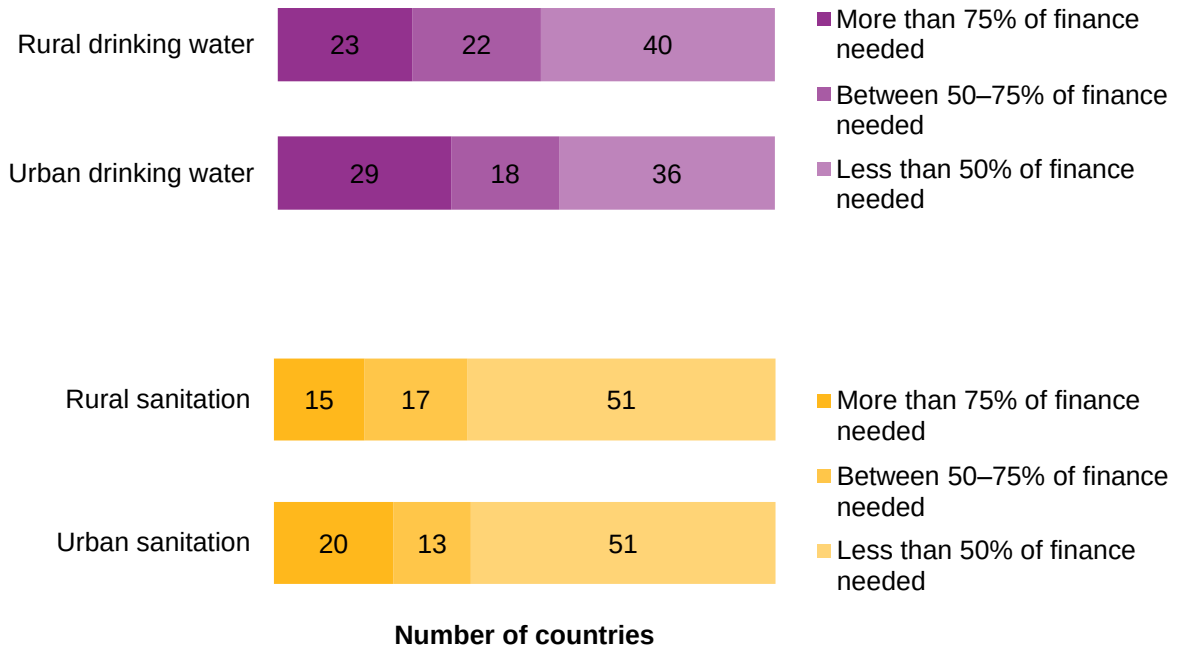
1.3 A lack of finance to meet water and sanitation targets

Official development assistance (ODA) or aid is one of the financial resources that has played a role in financing water and sanitation progress. At the Evian Summit in June 2003, for example, , leaders of Group of 8 (G8) countries committed to mobilising financial resources for water and sanitation, including giving high priority in ODA allocation to “sound water and sanitation proposals of developing country partners” and applying “on a voluntary basis, tools for development assistance for water

and sanitation projects".[12] Between 2003 and 2013, donors provided more than US$56.4 billion in aid went to the sector.

Still, there is a continuing finance gap meaning most countries are unable to meet MDG targets in the water and sanitation sector. National governments report insufficient finance to meet MDG targets, particularly in sanitation, according to GLAAS 2014 responses. For both rural and urban sanitation, 61% of respondent countries report that they have less than 50% of finance needed to meet MDG targets. In rural sanitation, the situation is particularly critical, with less than 15 countries reporting that they have 75% or more of that needed to meet MDG targets.

Figure 1.7. The finance gap to meet MDG targets in water and sanitation: share of needed finance that all developing countries report having



Source: WHO/UN-Water (2014) GLAAS

With the SDG universal access goal, the financing gap will be even larger. Between 2011 and 2015, WHO estimated that US$536 billion in additional finance would be needed to meet universal access to water and sanitation, that is, US$107.1 billion annually. Extending this figure to the 20-year period 2011 to2030, and adjusting for inflation based on inflation rates for the previous 15 years, this would equal US$779.1 billion, or US$39 billion annually, comprising US$14.8 billion annually for water and US$24.2 billion for sanitation. This compares with US$6.6 billion in annual aid to water and sanitation, based on an annual average over 2011–2013. The finance gap therefore represents almost six times the annual aid budget. Sub-Saharan Africa would

[12] See G8 Evian Action Plan on Water, www.g8.fr/evian/english/home.html or www.commit4africa.org/declarations/1079/-/0/0

need US$182 billion more, or US$9.1 billion annually. This compares with US$2.4 billion aid to the sector in sub-Saharan Africa annually.[13]

Mobilising additional domestic revenue for water and sanitation will be important in meeting universal access goals. At the 2014 Sanitation and Water for All (SWA) High Level Meeting, 43 developing countries discussed improving access to sanitation and water services, including increasing sector financing and making water, sanitation and hygiene (WASH) a priority in national development agendas. Twenty countries agreed to increase their budget as a share of GDP, share of national expenditure, or percentage increase from previous years. Only two countries, Burkina Faso and Mongolia, agreed to increase budgets by a specific amount until 2016, while five countries agreed to increase their budgets but by no set amount. Eleven other countries (Afghanistan, Burundi, Cameroun, Chad, DRC, Ethiopia, Ghana, Kenya, Madagascar, Nigeria, Rwanda) committed to mobilise more sector funding from partners and one country (Senegal) agreed to sustain their current level of financing. Seven countries also made commitments to strengthen financing strategies, investments plans or mid-term expenditure frameworks. For example, Kenya committed to develop a WASH investment plan that will be integrated into its national mid-term expenditure framework.[14]

Both national resources and aid have a key role to play in meeting the finance gap. Where national resources are lacking, aid resources will play an essential role. This may be due to low government revenue or the sector being put behind other domestic priorities. Aid should be allocated based on identified needs and the capacities of countries to respond to these needs. It is important to coordinate resource allocation between aid donors; however, data for decision-making and sector coordination is still partial in the water and sanitation sector.

1.4 Sector coordination and monitoring remains partial

A number of initiatives have emerged to coordinate response and monitor commitments and visions to improve access to water and sanitation. These include the SWA partnership, the EU Water Initiative (EUWI), the WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply and Sanitation, and the WHO TrackFin

[13] There are a number of limitations to this analysis of the finance gap. The analysis uses 2012 WHO costings, which are based on 2010 needs data and growth modelling. Therefore, the analysis does not take into account latest population growth estimates to 2030 or latest needs data. Only capital costs are included in the WHO analysis, excluding recurrent costs. To apply the WHO costings to the 2030 period, adjustments for inflation are made using DAC aid deflator rates for 1999 to 2014, and therefore the analysis assumes that inflation rates over the 15-year period 2015 to 2030 will follow inflation patterns over the previous 15 years (1999 to 2014). This report does not aim to develop a comprehensive measure of additional finance needed to meet universal access by 2015, yet this analysis serves to highlight aid volumes in the context of the finance gap. A more up-to-date costing of the sustainable development goals, including Goal 6, is expected to be developed as part of the UN-led financing for development discussions.

[14] SWA (2014a)

initiative. They are key fora to discuss sector bottlenecks, such as financing the water and sanitation sector to improve access to it. Multi-stakeholder initiatives also provide a platform to strengthen country processes and improve data availability for decision-making and allocating resource. For example, the EUWI works to accelerate progress to improved water and sanitation notably by coordinating EU donors to work with the African Ministers' Council on Water to implement the Africa Water Vision 2025.

The SWA partnership offers a means and opportunity to improve coordination and aid effectiveness in water and sanitation. It focuses on three priority areas: increasing political prioritisation; improving decision-making by strengthening the evidence base; and strengthening country processes. Some of the tools that the SWA partnership works with include the biennial High Level Meeting and the Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) report. At the SWA 2014 High Level Meeting, 379 commitments were made: 70 by 12 donors and 309 by 43 developing countries. However, participation from the donor community was low at 12, an d the commitments made at SWA have been characterised as weak due to their paucity and lack of measurability.[15]

Critical data gaps are preventing informed, effective decision-making, resource allocation and monitoring in the sector. These include national-level data for water and sanitation for some countries such as Comoros, and sub-national data on access. Tracking domestic finance to water and sanitation is often a challenge, as responsibilities in the sector are shared across several budget lines and ministries. Data is also lacking on aid, particularly on its effectiveness and quality. GLAAS provides some of the only sector-level data on aid quality; however, responses are mainly self-reported through surveys.

Monitoring progress to SDGs requires a data revolution. According to the United Nations Sustainable Development Solutions Network,[16] this would involve annual reporting of high-quality data from all countries. Improved data can support more coordination and transparency in decision-making on how resource are allocated. At the 2014 SWA High Level Meeting, only five donors made commitments on evidence-based decision-making. These were around developing transparency and joint review tools. The Netherlands committed to publishing all major investments to the International Aid Transparency Initiative (IATI) standard: the only commitment at SWA around IATI by a donor agency. Along with the WHO TrackFin initiative, IATI provides an important avenue for improving the quality of data on financial flows.

[15] See for example Uytewaal (2014)
[16] United Nations Sustainable Development Solutions Network (2015)

Part 2 Priority countries: a group with high need for aid investments in water and sanitation

Countries with continuing lack of access to water and sanitation need targeted investment. Catarina de Albuquerque, former Special Rapporteur on the human right to safe drinking water and sanitation and current Vice-Chair of the SWA, gives identifying the most vulnerable and 'left- behinds', and explicitly targeting them as the current challenge. [17] Inequities in access within countries mean that identifying priority countries for investments in water and sanitation needs to consider not only the characteristics of a country as a whole, but also continued need within countries. Monitoring progress in overcoming inequalities is also necessary to realise the post-2015 vision of universal and sustainable access.

Using a methodology to identify 'priority countries', this report aims to contribute to the first task of identifying the left-behinds through an analysis of needs at country level, and domestic financial capacity to respond to these needs.

In this report, a **priority country** is defined as one with high need for investment in water and sanitation, and low domestic capacity to respond to water and sanitation needs, indicating a continuing role for water and sanitation aid.

2.1 Identifying country needs and capacity to respond to needs

All developing countries are measured against five key indicators to assess need for aid investments in water and sanitation[18]:

- Three indicators of need for investment in basic water and sanitation are identified: (1) use of unimproved water sources (population numbers and levels), (2) use of unimproved sanitation facilities (population numbers and levels) and (3) diarrhoeal deaths (deaths per 1,000 deaths).
- One indicator of overall vulnerability and deprivation is considered: poverty levels (population numbers and levels).
- One indicator of financial capacity is considered to assess domestic ability to respond to domestic needs in water and sanitation (government revenue excluding grants per capita).

For three of the indicators, on water and sanitation access, and extreme poverty, both population shares and absolute numbers of people were considered. High levels of access can mask the existence of a large number of people without access, particularly in highly populated countries. For example, in India, while 93% of the population has

[17] See Uytewaal (2014a)
[18] 'Developing countries' here refers to all aid recipients for 2013 aid flows, based on OECD DAC (2012)

access to improved water sources, this still leaves 91.5 million people using unimproved water sources.

A normalised ranking is applied to each of the five key indicators against all countries and an indicator of multidimensional needs at country level (least developed country status) is also considered. LDC status is further used to identify a clear group of 45 countries emerging from patterns in the data.

These indicators are useful in identifying countries where aid is set to play a continuing role in meeting water and sanitation needs, because of low domestic capacity to meet these needs. However, these indicators present limitations. Poverty and LDC status are used as proxies for wider vulnerability, as this report does not aim to construct a comprehensive methodology for assessing vulnerability. Further, data is missing for water and sanitation access for Somalia and Comoros. However, these two countries are still included in the 45 priority countries, because their high needs are indicated through other indicators of vulnerability and deprivation, particularly poverty. See Table 2 for a list of indicators, data sources and coverage for priority countries, and Annex A1 for a full list of countries and data against each indicator.

Table 2. Summary of indicators used to select priority countries and data sources

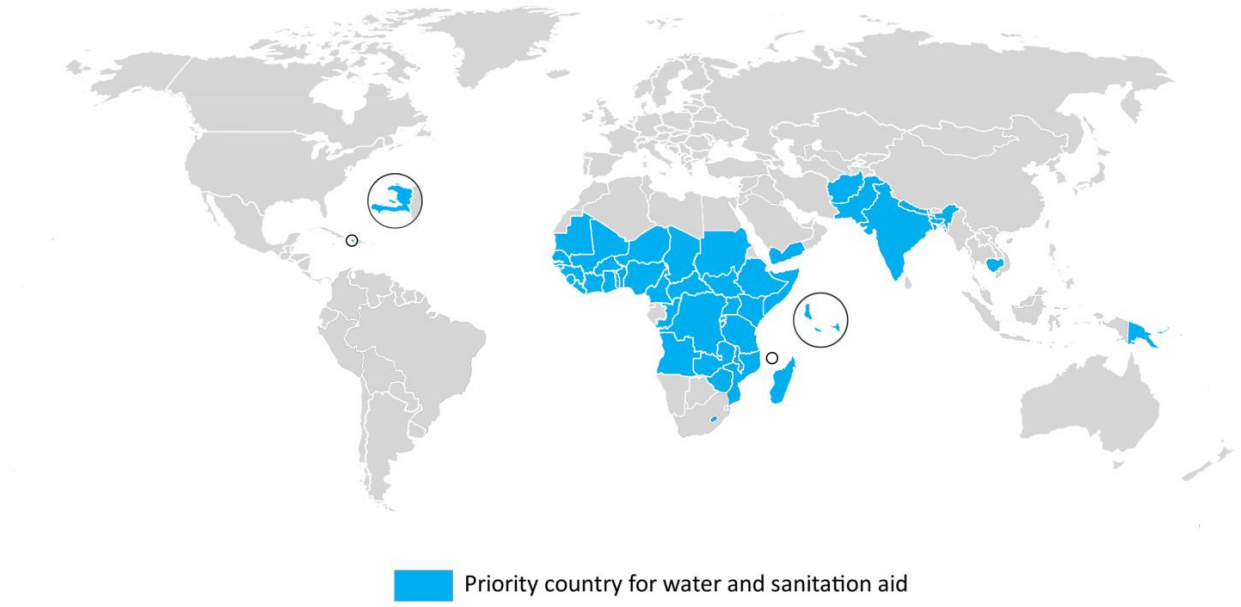
Indicators		Data source
Indicators of need for investments in water and sanitation	Number of people living in extreme poverty (PPP$1.25 a day poverty) Share of population living in extreme poverty (PPP$1.25 a day poverty)	Data Source: World Bank Latest year available for each country, years vary.
	Number of people and share of population using unimproved water sources. Unimproved water sources include: [19] • Surface drinking water sources: rivers, dams, lakes, ponds, streams, canals, irrigation channels • Other unimproved drinking water sources: unprotected dug wells, unprotected springs, carts with small tanks/drums, bottled water.	Data source: WHO/UNICEF joint monitoring programme, 2014 report. Data for 2012 (latest year). Data is lacking for two priority countries, Somalia and Comoros.
	Number of people and share of population using unimproved sanitation facilities. Unimproved sanitation facilities include: • Open defecation • Pit latrines without a slab or platform, hanging latrines or	Data source: WHO/UNICEF joint monitoring programme, 2014 report. Data for 2012 (latest year).

[19] The JMR uses a linear regression to estimate the proportion of the population using the following drinking water sources: piped water on premises; improved drinking water sources; surface water and sanitation facilities: improved types of sanitation facilities; open defecation. The remaining population uses unimproved drinking water sources and unimproved sanitation facilities, respectively. Improved drinking water sources include piped water on premises, public taps, or standpipes, tube wells or boreholes, protected dug wells, protected springs and rainwater collection.

	• bucket latrines that do not ensure hygienic separation of human excreta from human contact • Sanitation facilities of an otherwise acceptable type shared between two or more households. Only facilities that are not shared or not public are considered improved.	Data is lacking for two priority countries, Somalia and Comoros.
	Diarrhoeal deaths per 1,000 deaths	Data source: WHO, from WHO raw data file, 2012 figures (detailed mortality data for the 10th revision of the International Classification of Diseases, updated November 2014).
Indicators of capacity to respond to domestic needs	Government revenue excluding grants per capita (PPP $)	Data source: International Monetary Fund
	Least developed country status	UN

Based on the six indicators, a group of 45 countries are identified as priority countries. As shown in Map 1, these are mainly in sub-Saharan Africa (36 countries) followed by South and Central Asia (5 countries), South East Asia (1 country, Cambodia), Oceania (1 country, Papua New Guinea), North and Central America (1 country, Haiti) and Middle East (1 country, Yemen).

Map 1. Map of 45 priority countries for aid investments in water and sanitation



Source: Development Initiatives based on normalised ranking against indicators in Table 2

2.2 Priority countries' performance against indicators of need and capacity

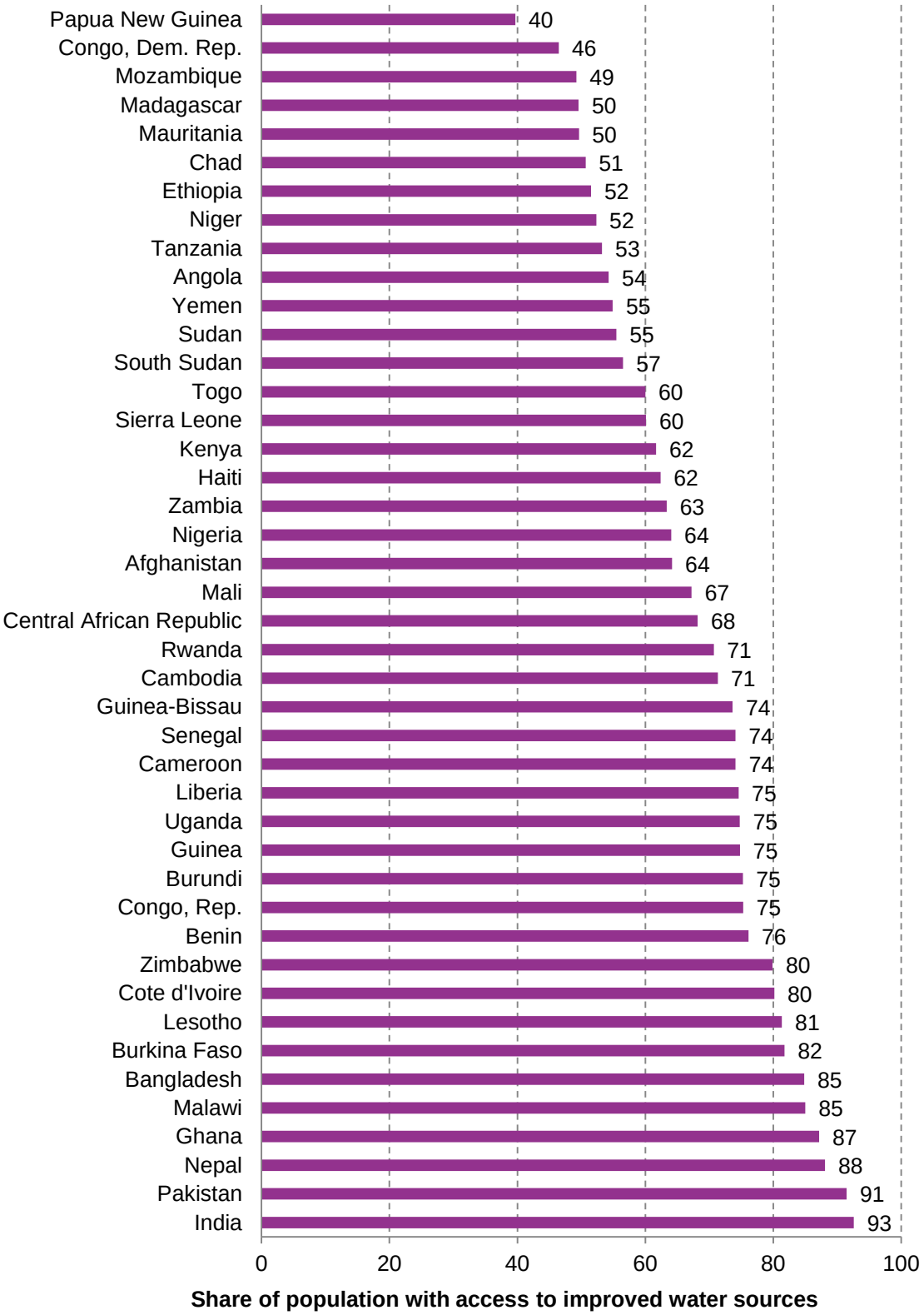
The 45 priority countries fare poorly in access to water, sanitation, diarrhoeal deaths and poverty. They also collectively fare below developing countries' average for government revenue. This indicates a continuing role for aid to finance improved access to water and sanitation in these countries.

2.2.1 Access to unimproved water sources

The level of access to improved water sources is a strong indicator of need for investment in water and sanitation. On average across 43 priority countries, a third of the population (33%) are using unimproved water sources, which compares with less than a seventh (14%) across all developing countries.[20] In five countries, less than half the population has access to improved water sources: Papua New Guinea, the Democratic Republic of Congo, Mozambique, Madagascar and Mauritania.

[20] Data is lacking for two priority countries, Somalia and Comoros in the WHO/ UNICEF JMP Progress on Drinking Water and Sanitation 2014 Update.

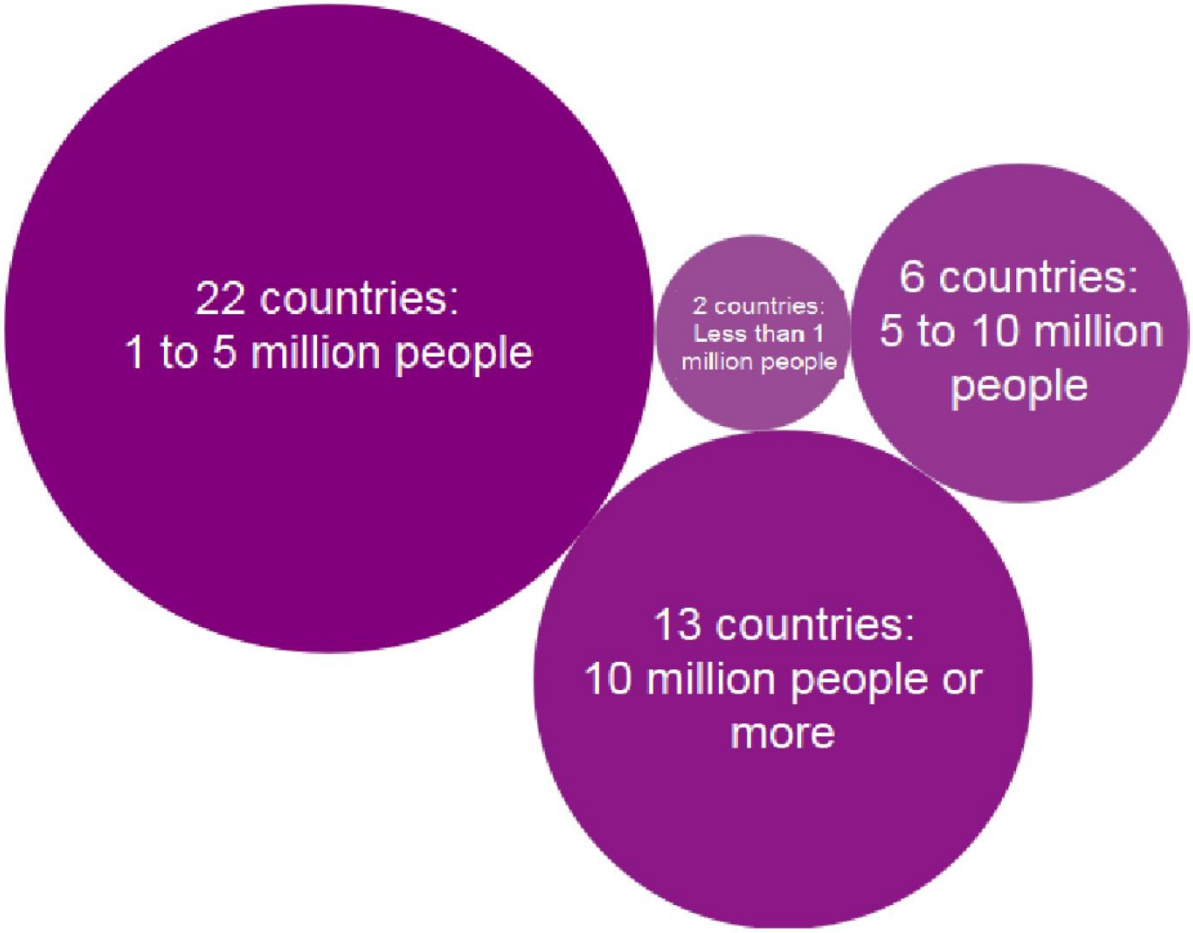
Figure 2.1. Share of population with access to improved water sources for 43 priority countries



Source: WHO/ UNICEF JMP. Progress on Drinking Water and Sanitation 2014 Update

Across the 43 priority countries, 482 million people are using unimproved water sources. Thirteen countries have more than 10 million people using unimproved water sources.

Figure 2.2. Number of people using unimproved water sources for 43 priority countries[21]



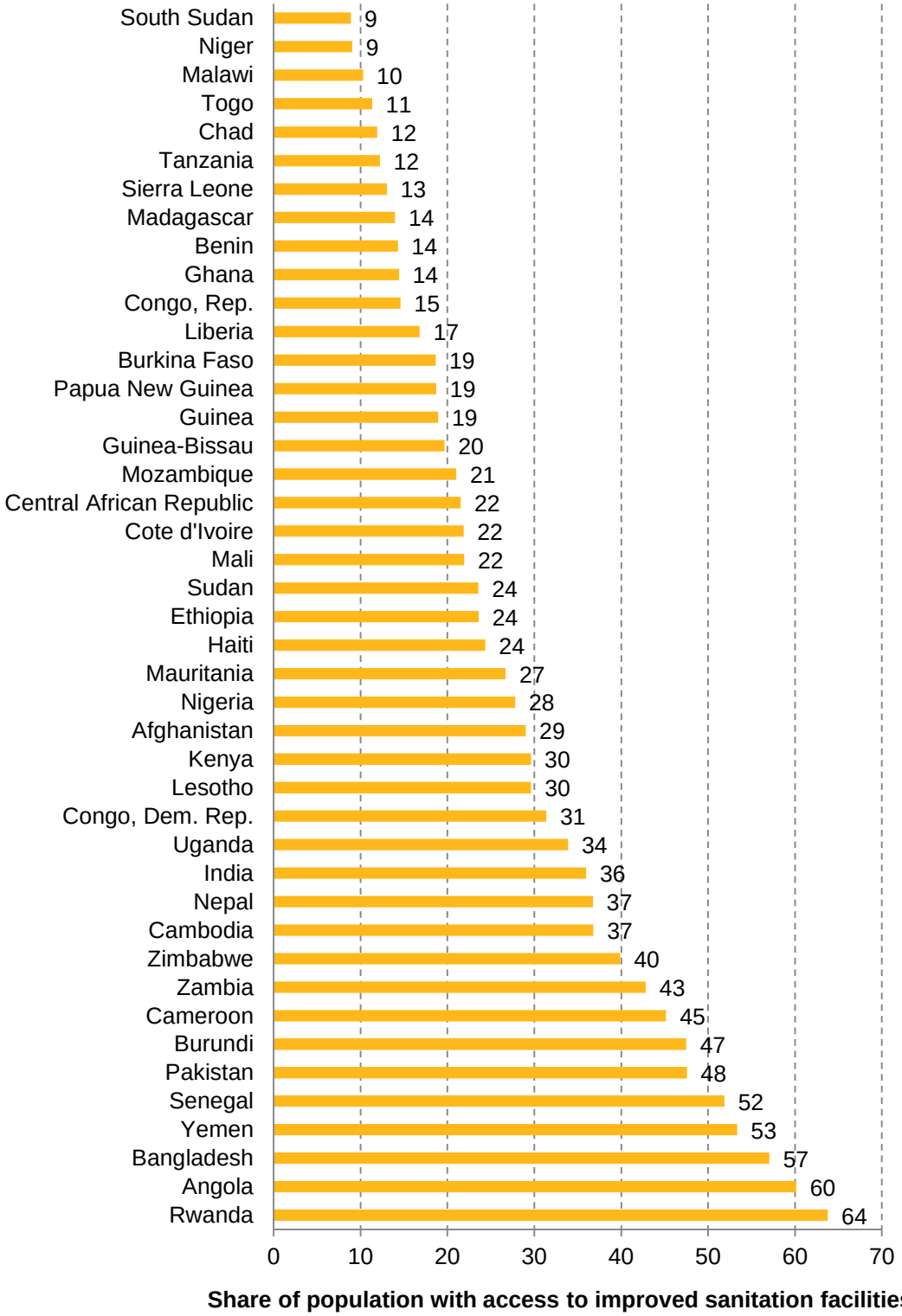
Source: WHO/ UNICEF JMP- Progress on Drinking Water and Sanitation – 2014 Update

2.2.2 Access to unimproved sanitation facilities

Level of access to improved sanitation facilities is a strong indicator of need for investment in water and sanitation. Among 43 priority countries, the share of population using improved sanitation facilities ranges from 8.9% (South Sudan) to 63.8% (Rwanda). Only five priority countries have levels of access above 50%. None of the countries are on track to meet the MDG target of 75% of the population having access to improved sanitation facilities. On average across the 43 countries, 72% of the population are using unimproved sanitation facilities, compared with 32% across all developing countries.

[21] The size of the bubble reflects the number of countries in each category.

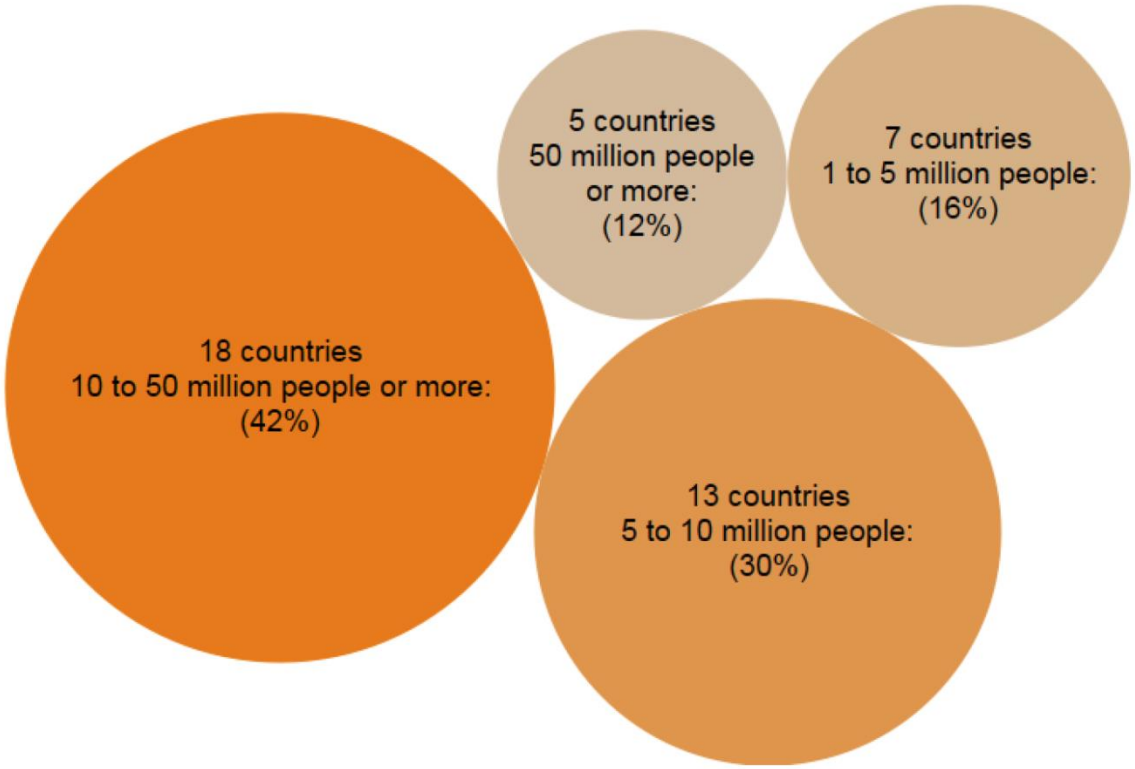
Figure 2.3 Share of population with access to improved sanitation facilities for 43 priority countries



Source: WHO/ Unicef JMP Progress on Drinking Water and Sanitation 2014 Update

All 43 countries have at least 1 million people without access to improved sanitation facilities. Across the 43 priority countries, 1.6 billion people are using unimproved sanitation facilities.

Figure 2.4. Number of people using unimproved sanitation facilities in 43 priority



countries

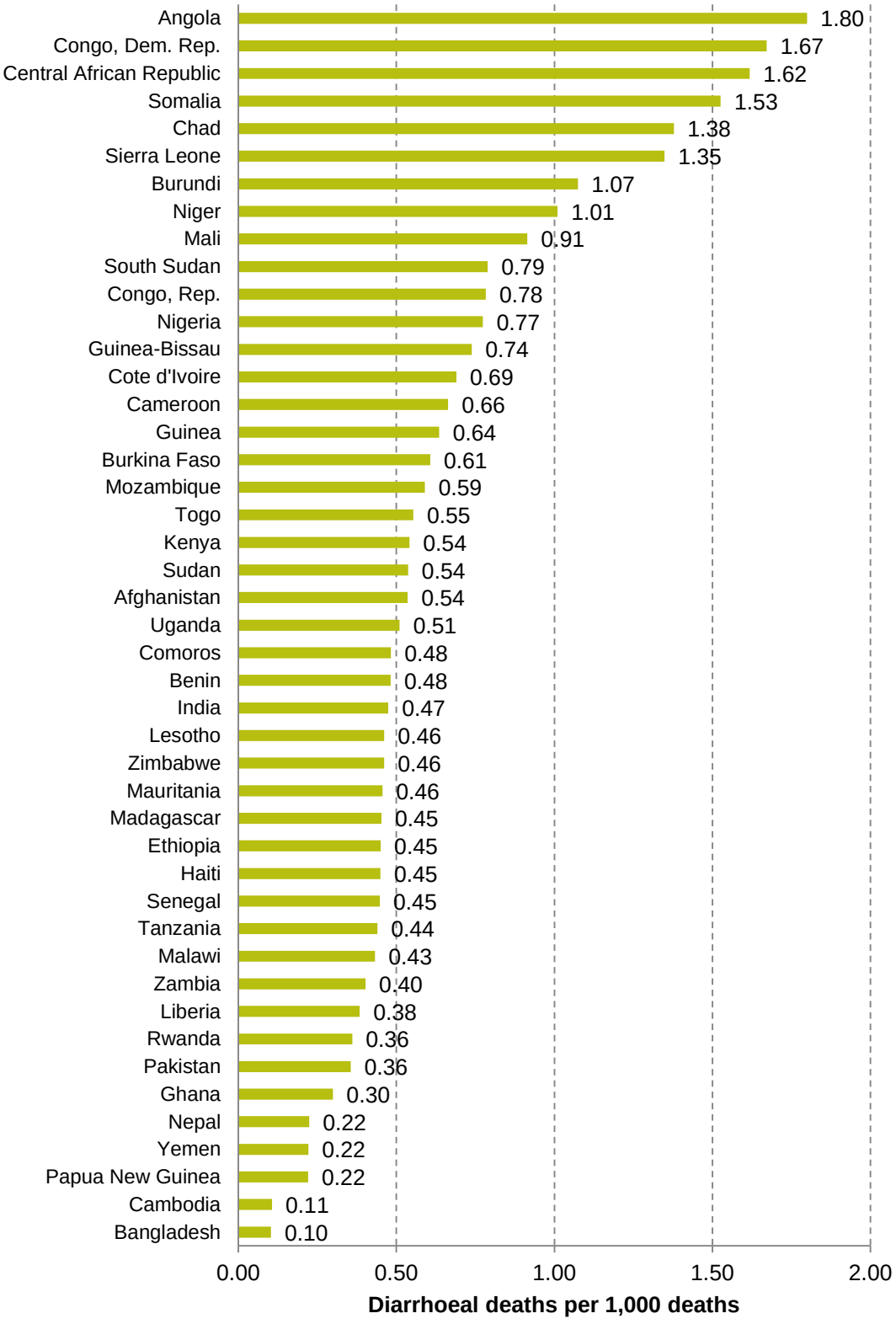
Source: WHO/ Unicef JMP. Progress on Drinking Water and Sanitation 2014 Update

2.2.3 Diarrhoeal deaths

Death from diarrhoeal diseases is strongly associated with poor water, inadequate sanitation and hygiene. Diarrhoeal disease is the second leading cause of death in children under 5 years of age worldwide.[22] In some interventions, increased water access was found to be associated with 17% diarrhoea risk reduction, based on a minimum quantity of at least 25 litres per person per day.[23] A goal of the Integrated Global Action Plan for the Prevention and Control of Pneumonia and Diarrhoea for 2025 goal is to reduce death from diarrhoea in children under 5 years of age to fewer than 1 per 1000 live births. Among 45 priority countries, Angola has the highest levels of diarrhoeal deaths. On average across priority countries, diarrhoeal deaths stand at 0.65 diarrhoeal deaths per 1,000 deaths, compared with 0.28 on average across all developing countries.

[22] WHO (2013)
[23] WHO and Unicef (2013)

Figure 2.5. Diarrhoeal deaths per 1,000 deaths in 45 priority countries in 2012

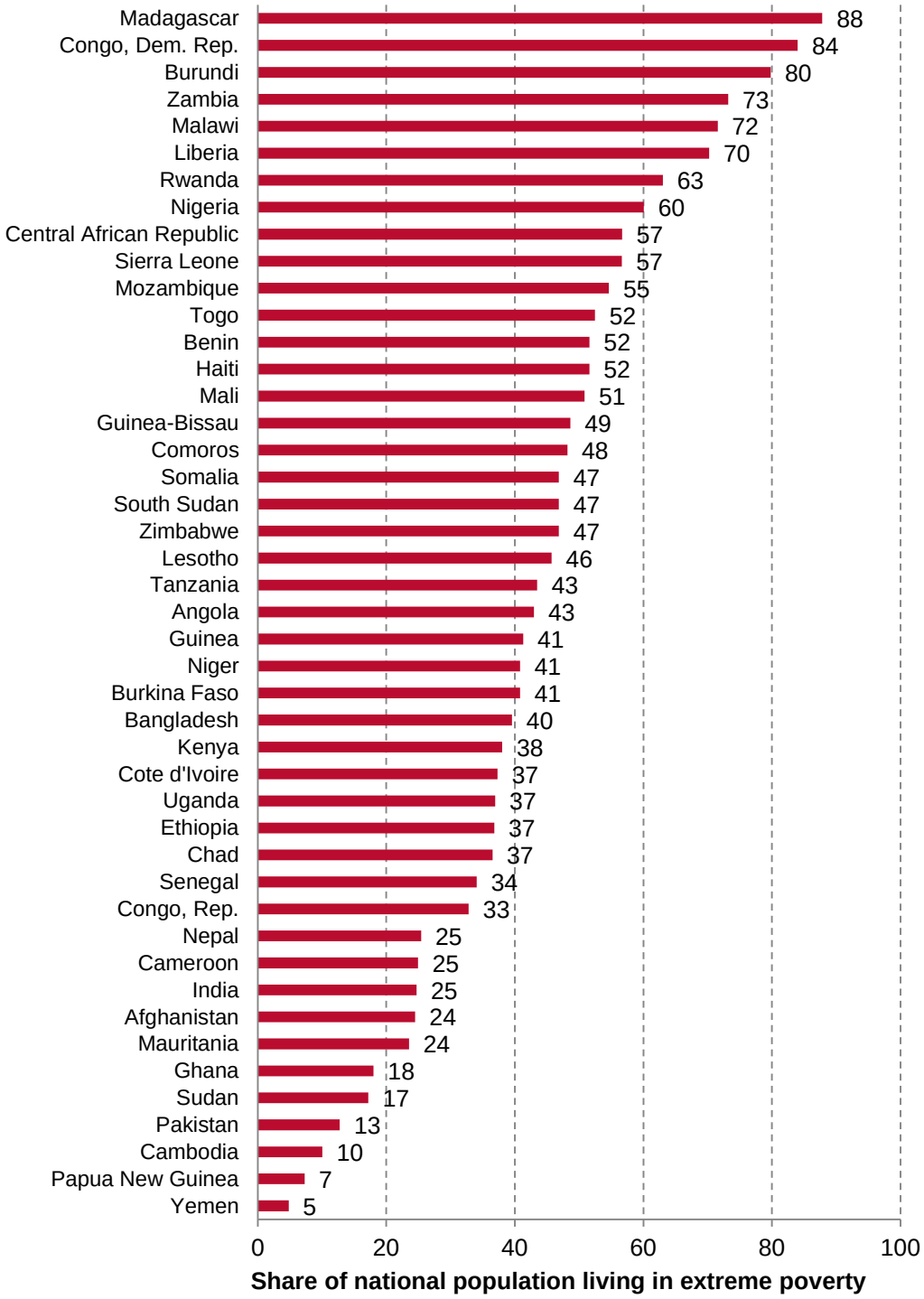


Source: WHO and World Bank World Development Indicators

2.2.4 Extreme poverty

Extreme poverty is defined as income poverty below PPP $1.25 per day. Income poverty levels are associated with multiple deprivations eg lack of access to water, sanitation and hygiene, and access to other basic services. Among the 45 priority countries, extreme poverty levels stand at 43%, which compares with an average of 17% across all developing countries. 26 countries have poverty levels above 40%, including 6 where more than two thirds of the population live in extreme poverty.

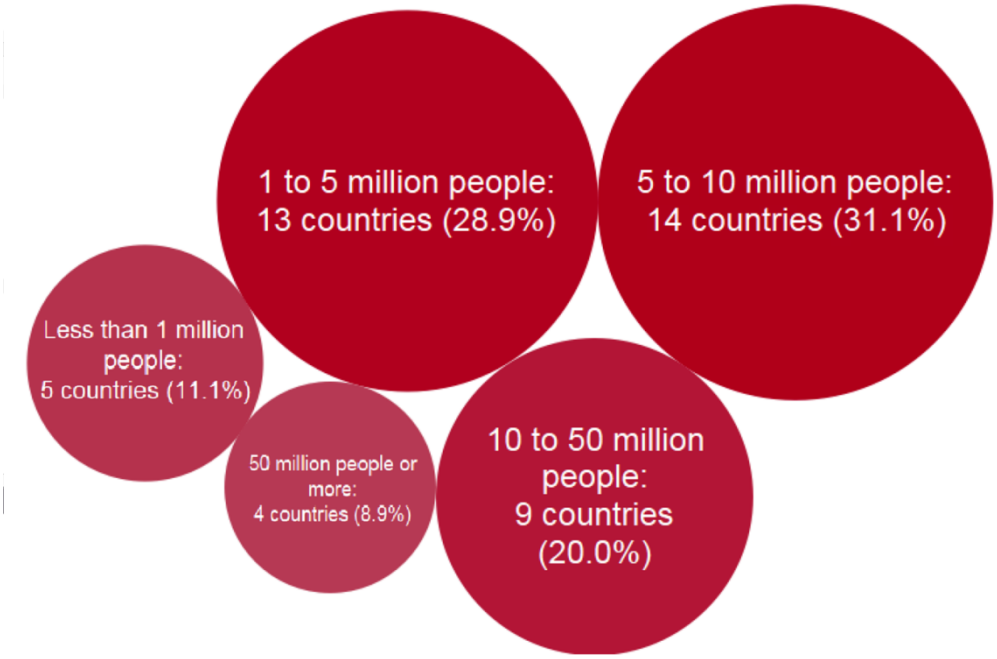
Figure 2.6 Share of population living in extreme poverty for 45 priority countries



Source: World Bank

Four priority countries each have more than 50 million people living in extreme poverty: India, Nigeria, Bangladesh and the Democratic Republic of Congo. Across the 45 priority countries, 812 million people are living in extreme poverty. This accounts for 80.7% of all people living in extreme poverty, which globally represents 1,007 million people.

Figure 2.7. Number of people in extreme poverty in 45 priority countries



Source: World Bank

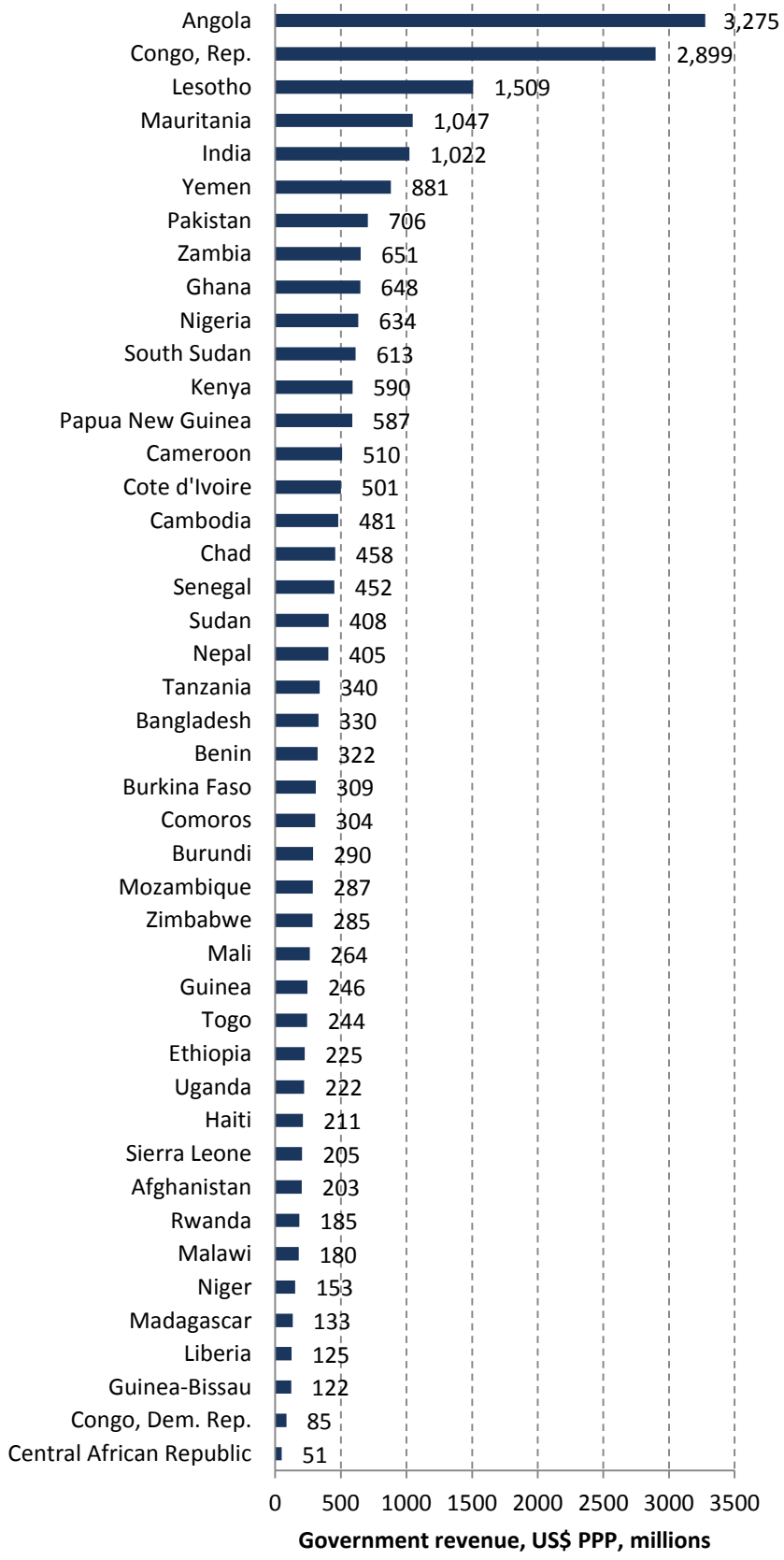
2.2.5 Government revenue, excluding grants, per capita

The indicator government revenue excluding grants assesses availability of domestic resources (revenue) and the scale of demand for resources per capita. It is used as a measure of domestic financial capacity to respond to needs in water and sanitation. Discounting grants from government revenue data provides a picture of domestic financial capacity excluding aid revenue. Government revenue excluding grants is mainly composed of finance generated through tax collection, and therefore reflects the ability of private individuals and the public state to respond to needs.

On average across the 44 countries, government revenue excluding grants per capita is PPP$536.[24] However, 24 countries register very low government revenue per capita at less than PPP$400. The Central African Republic's government revenue per capita is only PPP$51, and the Democratic Republic of Congo's is PPP$85. This data demonstrates the domestic resource capacity constraints faced by priority countries in responding to domestic needs.

[24] Data on government revenue is lacking for Somalia. Figures are shown in PPP$ (a standard measure to compare volumes across countries) to account for the relative value of the currencies.

Figure 2.8. Annual government revenue per capita, excluding grants, for 44 priority countries PPP$, latest year available



Source: International Monetary Fund

2.2.6 Least developed country status

Least developed countries (LDCs) are identified through a combination of socio-economic indicators including: adult literacy rate, secondary school enrolment rate, gross national income per capita, instability of agricultural production, under five mortality rates, under-nutrition rates, victims of natural disasters. LDCs are considered the poorest and weakest group of countries, and present high vulnerability to external shocks. In 2013, there were 49 LDCs; 35 of these were among the 45 priority countries.

2.3 Priority countries' progress to Millennium Development Goals

Each country's progress towards the MDGs is calculated individually, based on their progress to MDG Target 7C of "halving, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation". The JMP 2014 assesses individual country MDG progress by looking at 2012 coverage of improved water or improved sanitation. Country progress is assessed as follows:

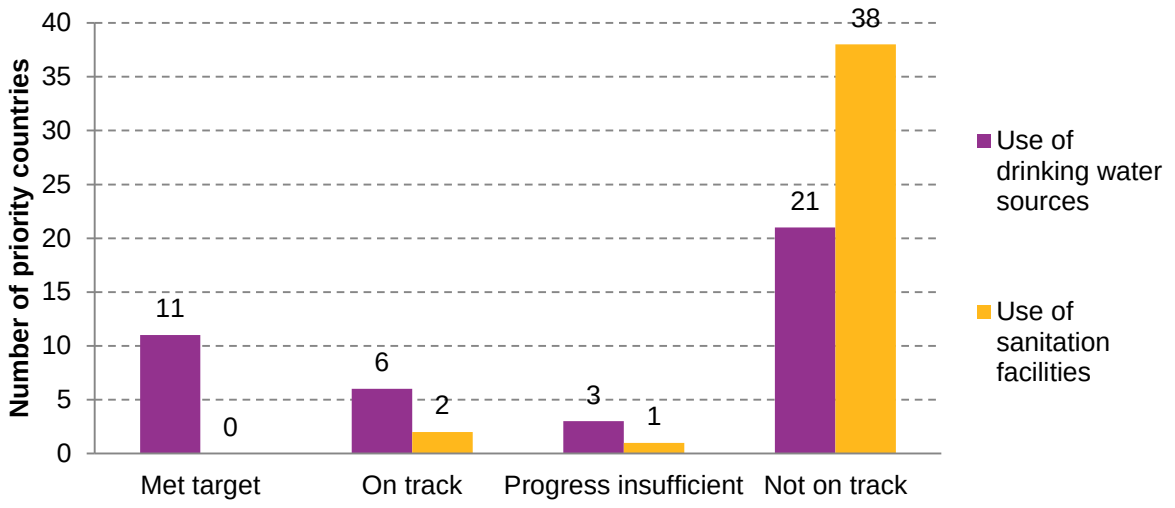
- If coverage is greater than or equal to 2015 target or 2012 coverage is greater than or equal to 99.5%, the country has "met" the MDG target.
- If coverage is within 3% of the 2012 required target value, the country is "on track".
- If coverage is within 3-7% of the required target, the country shows "insufficient progress".
- If coverage is outside of 7% of the required target value, the country is "off track".

Four priority countries lack data for either indicator: Comoros, Congo, South Sudan and Somalia.[25]

Progress to MDGs on drinking water was better than progress on the use of sanitation facilities in the priority countries, in line with global trends. Slightly less than half of the countries (21) are not on track in terms of use of drinking water sources. A quarter of priority countries (11) met the 2015 targets for use of drinking water sources while none met the targets for sanitation facilities. Most priority countries (38) are not on track in use of sanitation facilities.

[25] Progress for individual countries represents a preliminary assessment, the 2015 Millennium Development Goals report will provide a final assessment.

Figure 2.9. Progress to MDGs in water and sanitation for priority countries



Source: WHO/ UNICEF JMP. Progress on Drinking Water and Sanitation 2014 Update

Table 3. Progress to MDGs in water and sanitation for individual priority countries

	Use of drinking water sources	**Use of sanitation facilities**
Met target	Afghanistan, Bangladesh, Burkina Faso, Cambodia, Ghana, Guinea-Bissau, India, Malawi, Mali, Nepal, Uganda	
Not on track	Burundi, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Haiti, Kenya, Madagascar, Mauritania, Mozambique, Niger, Nigeria, Papua New Guinea, Sudan, Tanzania, Togo, Zambia, Zimbabwe, Angola, Rwanda, Yemen	Afghanistan, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Ethiopia, Ghana, Guinea, Guinea-Bissau, Haiti, India, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Nigeria, Pakistan, Papua New Guinea, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe
On track	Benin, Cameroon, Ethiopia, Guinea, Liberia, Pakistan	Angola, Rwanda
Progress insufficient	Lesotho, Senegal, Sierra Leone	Yemen

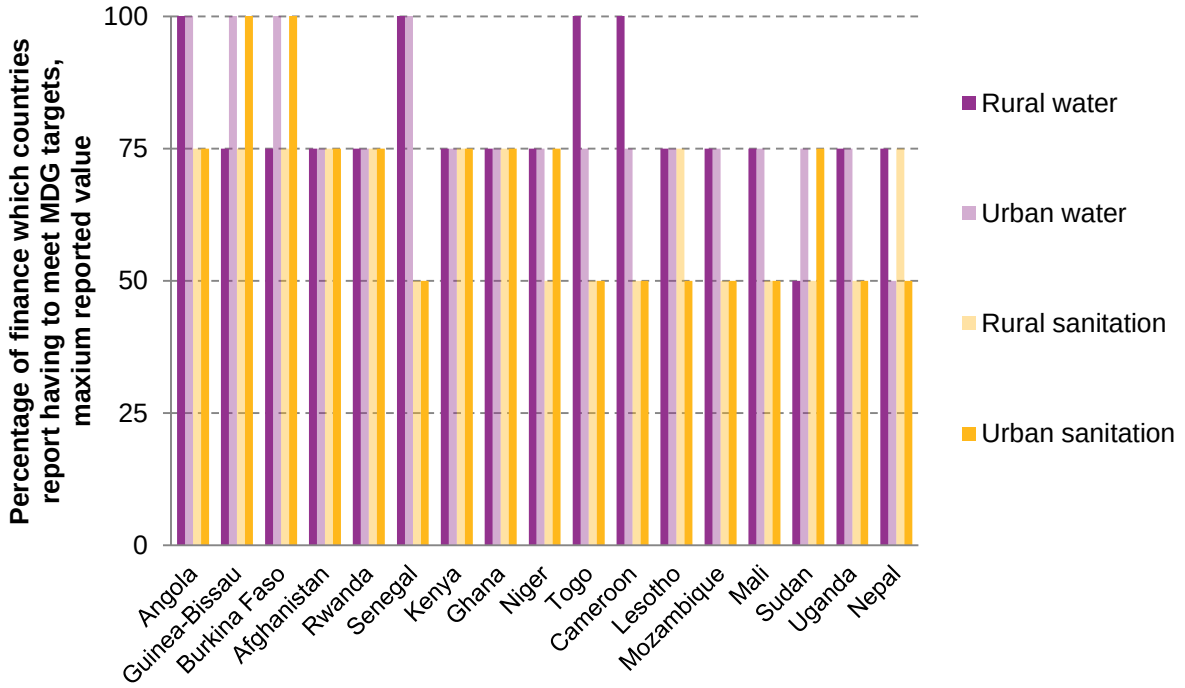
Source: WHO/ UNICEF JMP- Progress on Drinking Water and Sanitation – 2014 Update

2.4 The finance gap for priority countries

The finance gap to meet MDG targets is significant for a majority of priority countries. Among the 40 priority countries that responded on the finance gap to GLAAS 2014, 19 countries report having less than 50% of finance needed across all four areas.[26] Only three priority countries report having more than 75% of finance needed across all areas: Cambodia, Chad and Republic of Congo. India provided responses for rural areas only and indicated having 75% of finance required for both water and sanitation MDG targets.

Among the remaining 17 priority countries, most responses indicated having 50–75% of finance needed across most of the four areas. The greatest need is for finance for sanitation in rural areas: eight countries indicate having less than 50%, and only nine countries indicate having 50–75% of finance needed. Patterns for these 17 countries are shown in Figure 2.6.

Figure 2.10. Sufficiency of finance to meet MDG targets for 17 priority countries, based on percentage of finance countries report having to meet needs



Source: WHO/UN-Water (2014) GLAAS

To meet the SDG target of universal access to water and sanitation, priority countries that lack finance to meet MDG targets will experience an even greater finance gap. The

[26] The 19 countries are the Democratic Republic of Congo, the Central African Republic, Sierra Leone, Madagascar, Ethiopia, Burundi, Tanzania, South Sudan, Liberia, Haiti, Guinea, Benin, Mauritania, Bangladesh, Nigeria, Côte d'Ivoire, Zimbabwe, Pakistan, Yemen.

selection of priority countries highlights those characterised by a lack of government revenue. This indicates a strong role for international finance in these countries to finance universal access. However, aid should be delivered in a way that does not create dependency on aid revenues, but rather in a way that supports national ownership and builds capacity to transition away from aid in the long term. The next section looks at aid flows in water and sanitation to understand where and how aid is delivered.

Part 3 Aid flows to water and sanitation

Aid is the key international resource that can be directed to reducing poverty and enhancing access to basic services in developing countries.

This section provides an overview of global aid flows to water and sanitation, looking at overall trends and spending by recipients. It uses data from the OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS).[27] This data presents challenges and the OECD DAC has published a guidance note that explains the difficulty inherent in reporting aid flows to water and sanitation in a way that allows for global comparisons, while showing the complex way in which different components in a project can be brought together to respond to water and sanitation needs. [28] The note provides examples of these challenges from specific projects. By default, data refers to gross disbursements from all donors.[29] Disbursements correspond to the release of funds or the purchase of goods or services for a recipient.

3.1 Overall trends to all countries

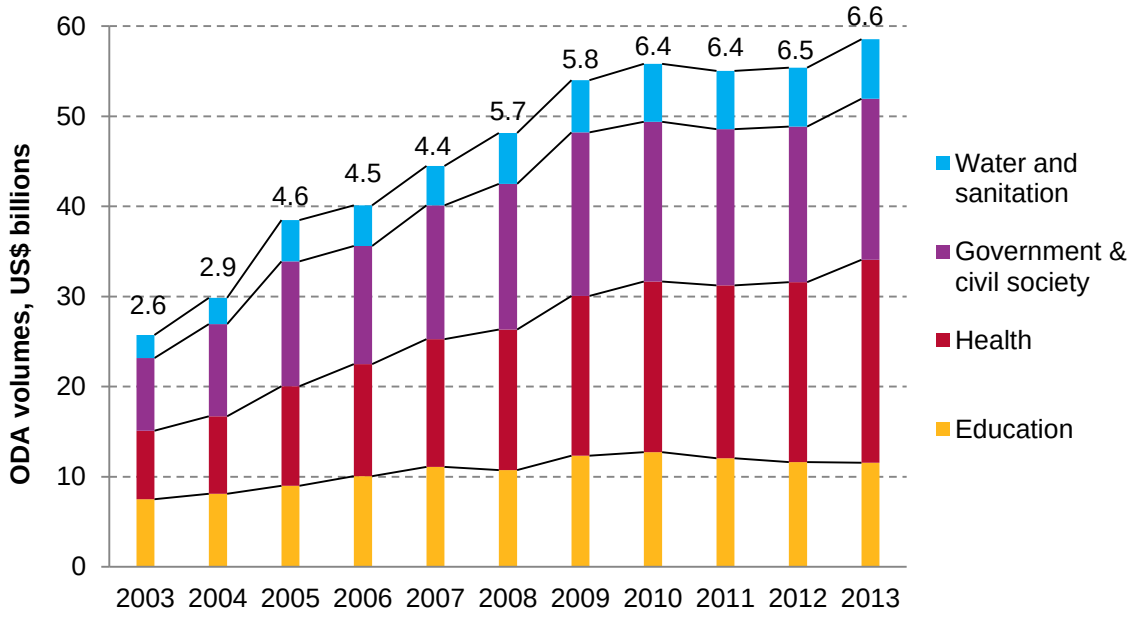
3.1.1 Aid to water and sanitation grew faster than overall aid over a 10-year period

The growth of aid to the water and sanitation sector has outpaced the growth of overall aid over a 10-year period. Aid to water and sanitation grew by 158% between 2003 and 2013, compared with growth of 87% for overall ODA. However, more recent trends show a reverse in this trend. Between 2011 and 2013, aid to water and sanitation grew by only 2.5%, while overall aid grew by 10.7%. In line with this recent trend, the share of aid to water and sanitation decreased between 2012 and 2013.[30] Aid to education decreased between 2011 and 2013 by 4%, while aid to government and civil society increased by 3% and aid to health by 31%.

Compared with other social sectors, water and sanitation receives a low share of total aid. In 2013, water and sanitation received 3.9% of all ODA, compared with 10.6% to government and civil society, and 7.1% and 6.9% to health and education respectively.

[27] All figures on financial flows are in constant 2012 prices.
[28] Cotton (undated)
[29] Unlike net ODA, gross ODA disbursements do not take account of ODA loan repayments from recipient countries.
[30] See Figure 3.3

Figure 3.1 ODA gross disbursement volumes to social sectors, 2003-2013, US$ billions[31]

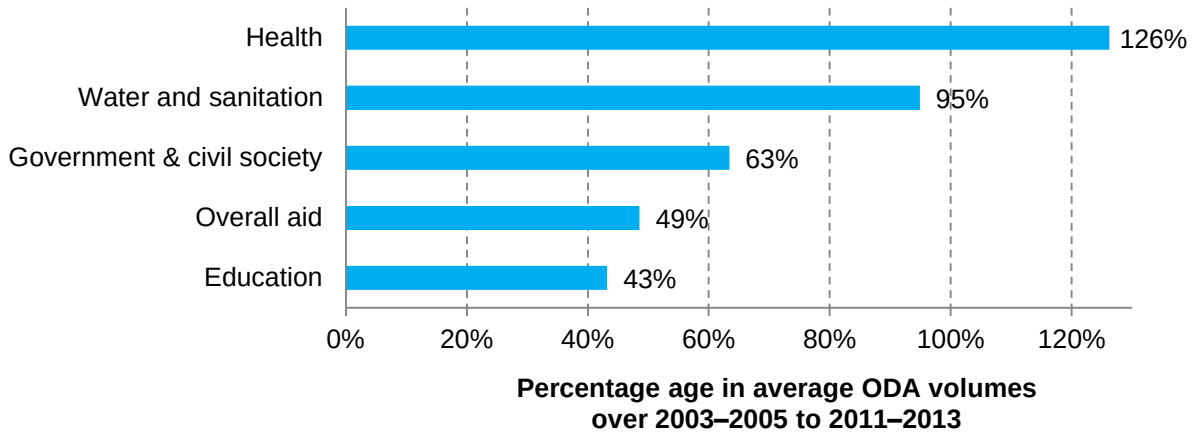


Source: OECD CRS

Overall, aid to water and sanitation grew by 95% between 2003–2005 and 2011–2013. The health sector experienced more growth at 126%, but aid to water and sanitation grew more than aid to education, and government and civil society.

[31] The "Health" sector is defined as CRS Codes 120 "Health" and 130 "Population policies/programmes and reproductive health".

Figure 3.2. Change from 2003–2005 to 2011–2013 in average aid volumes to social sectors and overall aid

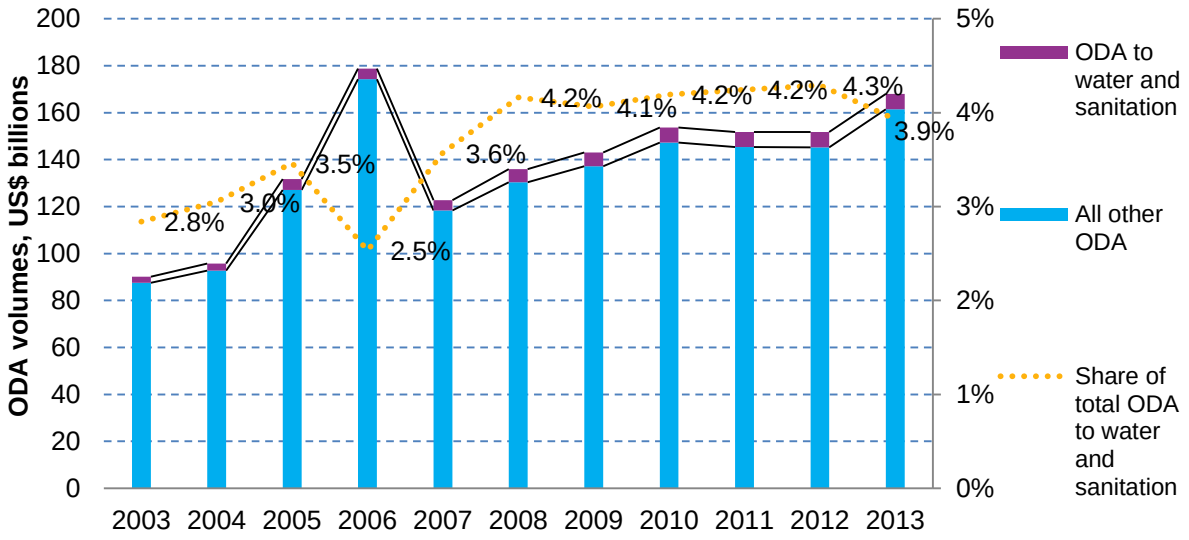


Source: OECD CRS

3.1.2 Overall aid to water and sanitation is increasing

In 2013, global aid flows to water and sanitation reached US$6.6 billion, a 10-year high. This follows a trend of increasing aid to the sector. Aid to water and sanitation represented US$6.6 million in 2013. Between 2003 and 2013, aid to water and sanitation outpaced the growth of overall aid; however, in recent years the pace has fallen behind. While volumes increased, aid to water and sanitation represented a smaller share of global aid. . Since 2008, aid to water and sanitation has stayed at around 4% of all aid. This marks a slight improvement from the previous two years, when aid to water and sanitation fell to 2.5% and 3.6%. Between 2009 and 2012, aid to the sector grew steadily to reach 4.3% in 2012, but in 2013 dropped to only 3.9% of all aid, falling below 4% for the first time since 2009. Therefore, even as volumes of aid to water and sanitation have grown, they have in recent years fallen behind the pace of overall growth of aid.

Figure 3.3. Volume and share of ODA to water and sanitation, 2003-–2013, US$ billions



Source: OECD CRS

3.1.3 Disbursement levels are lower than commitments

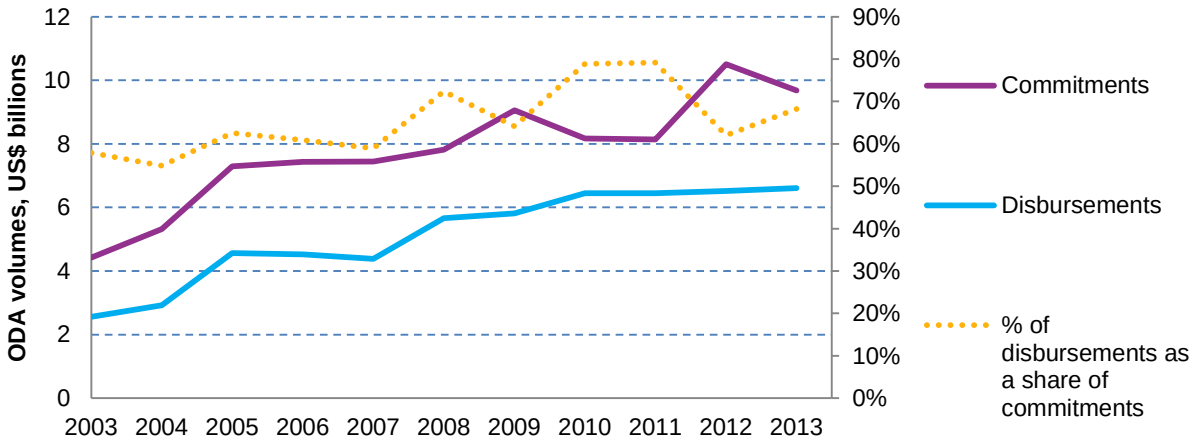
A commitment is a firm obligation undertaken by a donor to provide aid to a developing country or multilateral organisation. The value of a commitment is recorded in its full amount in the year it is made, irrespective of the time it will take to disburse. Therefore, a commitment recorded for a given year may be spent over a number of years, particularly for large-scale projects. Disbursements, conversely, indicate money that has been spent.

In 2013, total commitments by all donors to the water and sanitation sector were US$9.7 billion. Commitments from all donors peaked in 2012 at US$10.5 billion, particularly driven by increased commitments from the Netherlands, France and the UK.

Disbursements to the water and sanitation sector steadily increased between 2003 and 2013. Overall, disbursements increased by 158%, from US$2.56 billion in 2003 to US$6.6 billion in 2013.

Disbursements as a share of commitments from all donors grew from 58% to 68% during the 10-year period. In 2010 and 2011, donors disbursed 79% of the amount of aid commitments to water and sanitation; however, this upward trend declined in 2012. This may be because commitment volumes for a given year refer to a commitment for a multi-year project, and the full value of the commitment is stated in the year the commitment is made, while project funding can be disbursed over several years. Multi-year commitments can explain why disbursements are below commitments for any given year.

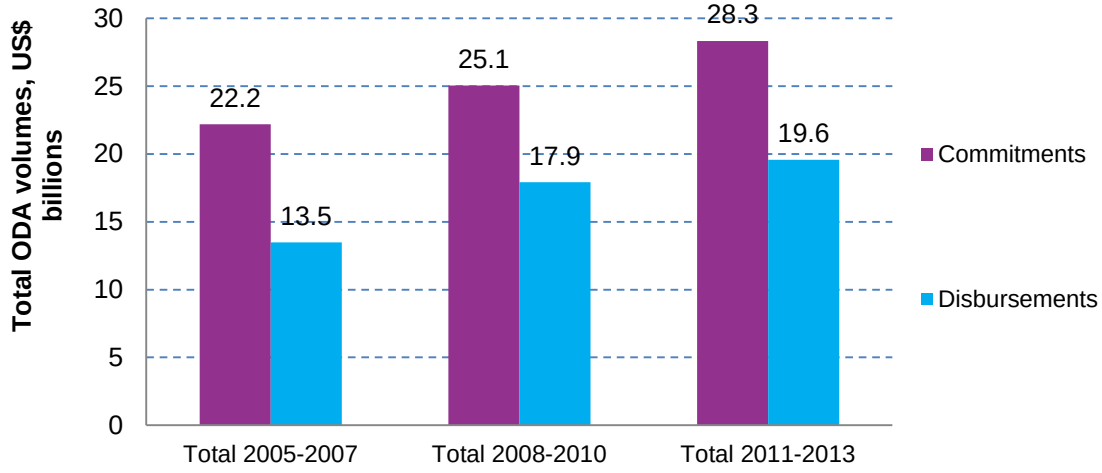
Figure 3.4 Commitments and disbursements to water and sanitation, all recipients, US$ billions, all donors



Source: OECD CRS

Disbursements are also found to be below commitments when aggregated over a longer period. Assuming that aid projects run for an average of 3 years, over time, disbursement levels should match commitment levels. Figure 3.5 shows that total disbursements still lag behind total commitments over 3-year periods. Yet while disbursements reached 61% of commitments in 2005–2007, this share increased slightly to 69% during 2011–2013.

Figure 3.5. Commitments and disbursements to water and sanitation, 3-year total volumes, US$ billions, all donors



Source: OECD CRS

3.2 Aid flows by recipient

3.2.1 Aid by region: sub-Saharan Africa receives the largest shares

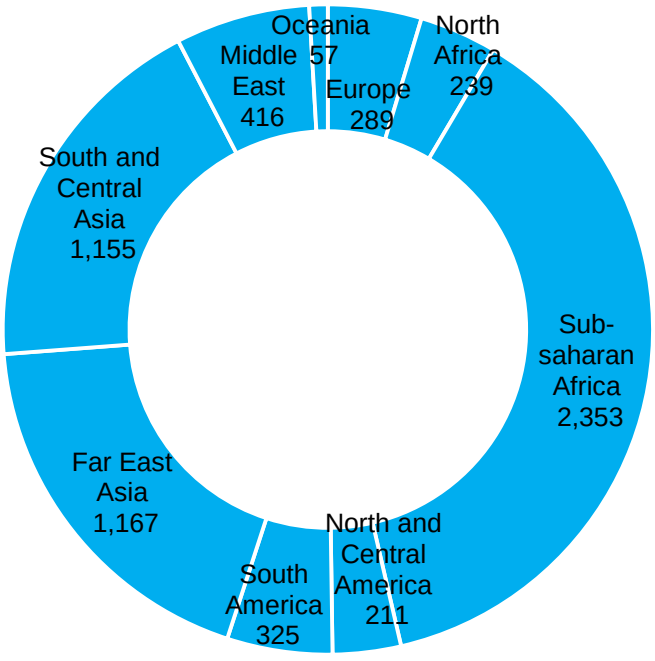
Sub-Saharan Africa was the largest regional recipient of aid to water and sanitation in 2013, receiving 36.2% of ODA to the sector. On average over 2011–2013, the region received 33.9% of aid to water and sanitation, or US$2.2 billion, while it received 31% of overall aid.

Far East Asia received 18% of aid to the sector in 2013 or US$1.2 billion, and 17.7% on average over 2011–2013. This compares with the region receiving 9% of all aid over 2011–2013, indicating that Far East Asia receives a significant share of its aid in the water and sanitation sector.

South and Central Asia was the third largest regional recipient in 2013 and on average over 2011–2013. It received 17.8% of aid to the sector both in 2013 and over 2011–2013, while it received 16% of overall aid.

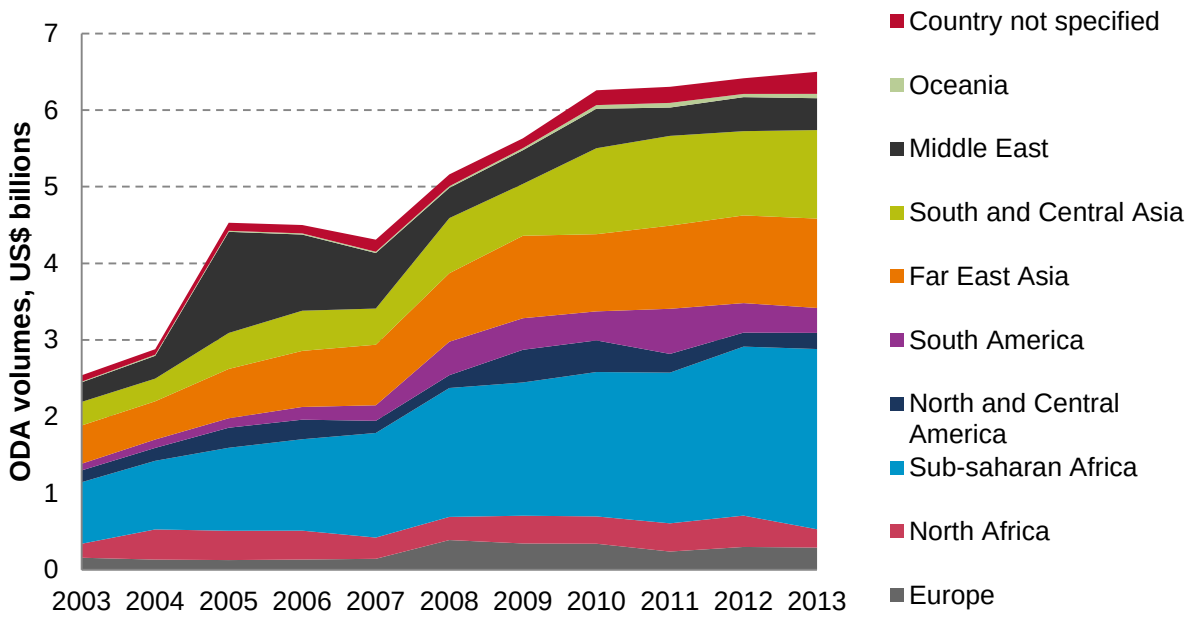
Europe and North and Central America are regions which receive a higher share of overall aid than aid in the water and sanitation sector.

Figure 3.6. Aid to water and sanitation per region in 2013, US$ millions



Source: OECD CRS

Figure 3.7. Aid to water and sanitation for regions, 2003-2013[32]

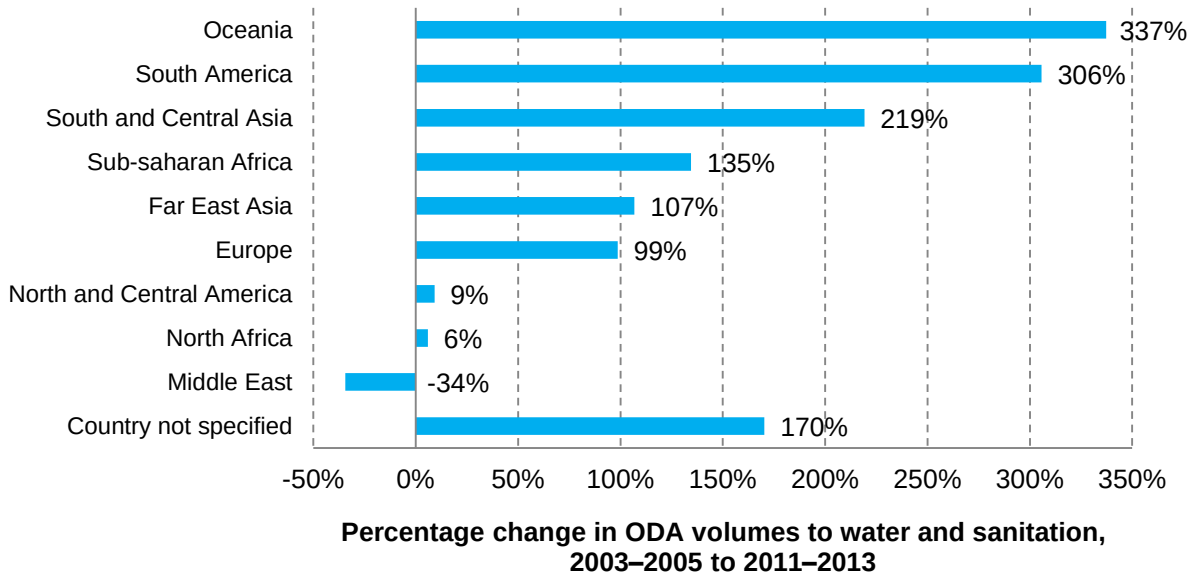


Source: OECD CRS

Figure 3.8 shows that the Middle East experienced drops in aid to water and sanitation over 2003–2005 and 2011–2013, receiving 34% less water and sanitation ODA on average. Aid to the sector to North Africa and North and Central America remained largely stable, with increases of 6% and 9% respectively. Aid to Oceania and South America quadrupled, while aid to South and Central Asia tripled. Sub-Saharan Africa and Far East Asia experienced more modest increases, at 135% and 107% respectively.

[32] Excluded aid flows from regional graphs include aid to the categories: Africa regional, Asia regional and America regional.

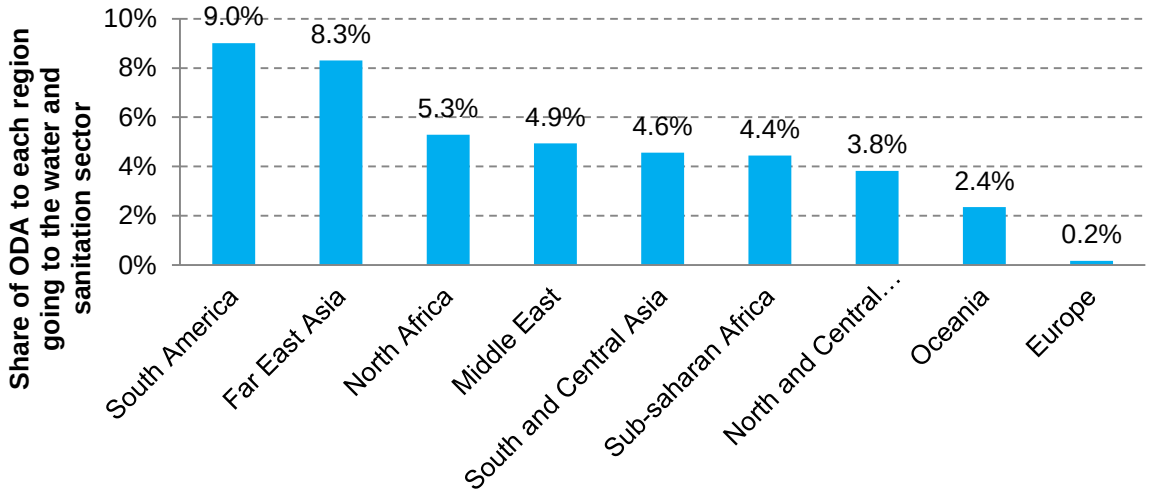
Figure 3.8 Change from 2003–2005 to 2011–2013 in average water and sanitation aid, based on volumes to regions



Source: OECD CRS

South America and Far East Asia both receive large shares of their ODA in the water and sanitation sector, considering that only 4.2% of total aid went to the sector on average over 2011–2013. South America received 9% of its ODA in the water and sanitation sector on average over 2011–2013. Far East Asia receives the second largest share of its aid in the water and sanitation sector, at 8.3%. South and Central Asia and sub-Saharan Africa, the two regions where needs are greatest, received 4.6% and 4.4% respectively of their aid in the water and sanitation sector.

Figure 3.9. Share of ODA to each region going to the water and sanitation sector, 2011-2013 average



Source: OECD CRS

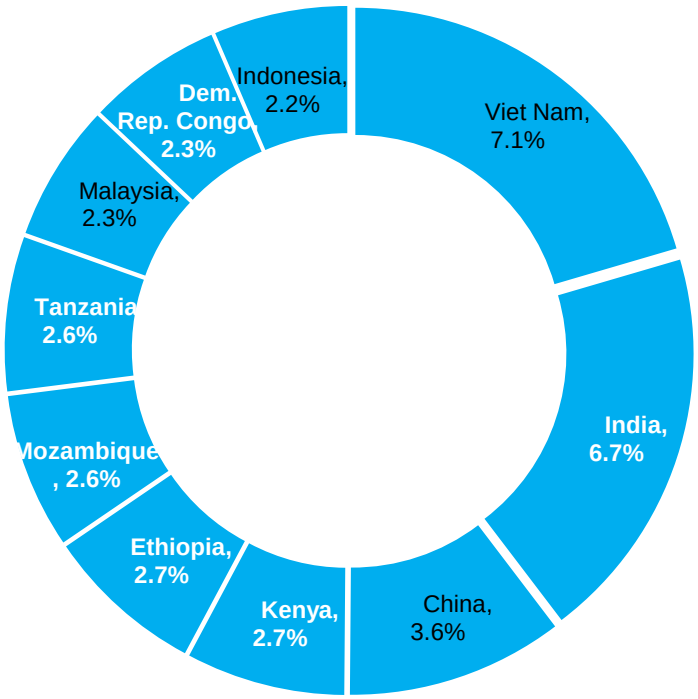
3.2.2 Aid by country recipient: three Asian countries receive the largest volumes

In 2013, Viet Nam, India and China were the three largest recipients of ODA to water and sanitation. Viet Nam received 7.1%, India 6.7% and China 3.6%. Collectively, these three countries received US$1.1 billion of aid, or over one-sixth (17%) of aid to the sector.

- Aid to India is mostly from Japan, which provided 68.4% of India's aid in the sector in 2013. The International Development Agency (IDA) provided 23.5% of India's aid to water and sanitation.
- Aid to Viet Nam comes from bilateral and multilateral donors in almost equal proportion. The largest donor in 2013 was IDA, which provided 34% of Viet Nam's aid to the sector in 2013, while Japan provided 17%.
- Aid to China is almost entirely driven by the largest bilateral donors to the sector. In 2013, Japan was the largest donor to China, providing 44.4% of water and sanitation aid to the country, while Germany provided 44.3%.

The largest 10 recipients of water and sanitation aid in 2013 include six priority countries (among which four are LDCs), highlighted in white in Figure 3.10. The other four largest recipient countries are all located in East Asia and are not priority countries.

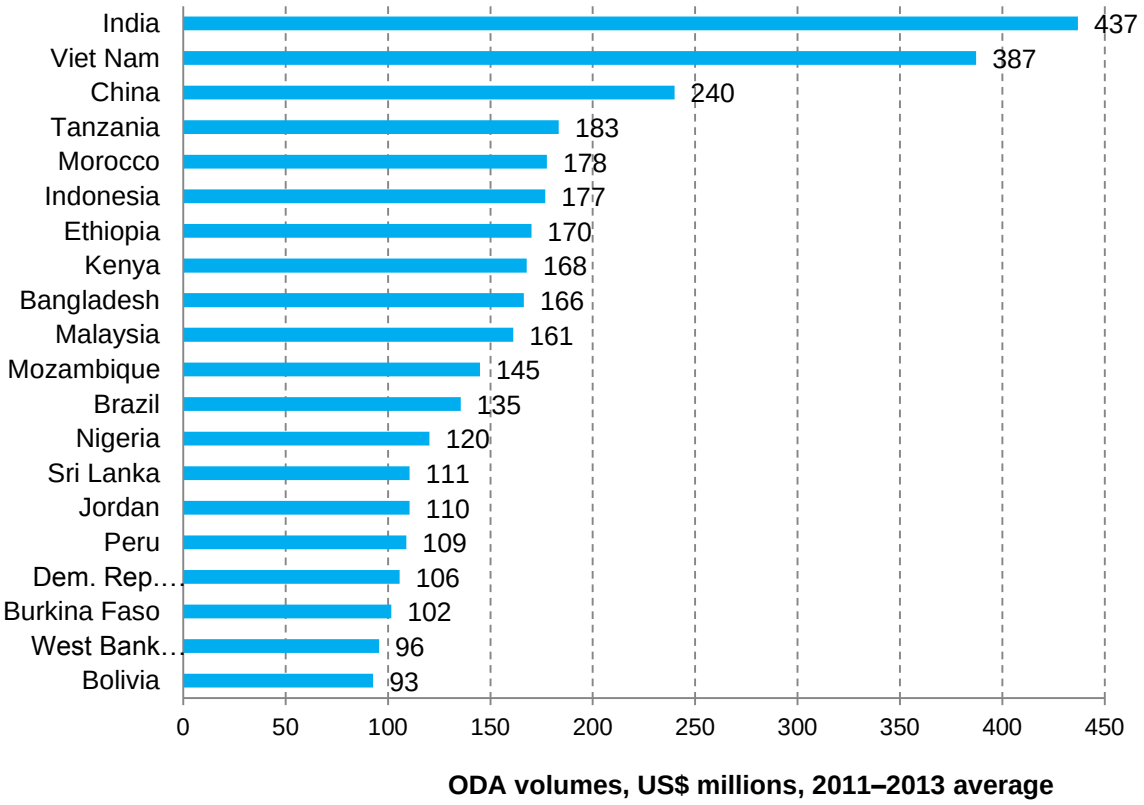
Figure 3.10. 10 largest recipients in 2013, share of all ODA to water and sanitation



Source: OECD CRS

Trends for 2013 are consistent with trends in recent years. Among the 10 largest water and sanitation aid recipients over 2011–2013, six are East or South Asian countries. On average over 2011–2013, India, Viet Nam and China were the largest recipients of aid to water and sanitation, receiving on average US$437 million, US$387 million and US$240 million per year respectively in ODA to the sector. Countries not classified as 'priority' that nonetheless receive high ODA volumes to the sector include China, Brazil, Viet Nam, South Africa and Morocco.

Figure 3.11. 20 largest recipients of water and sanitation ODA, ODA volumes, US$ millions, based on 3-year average 2011–2013

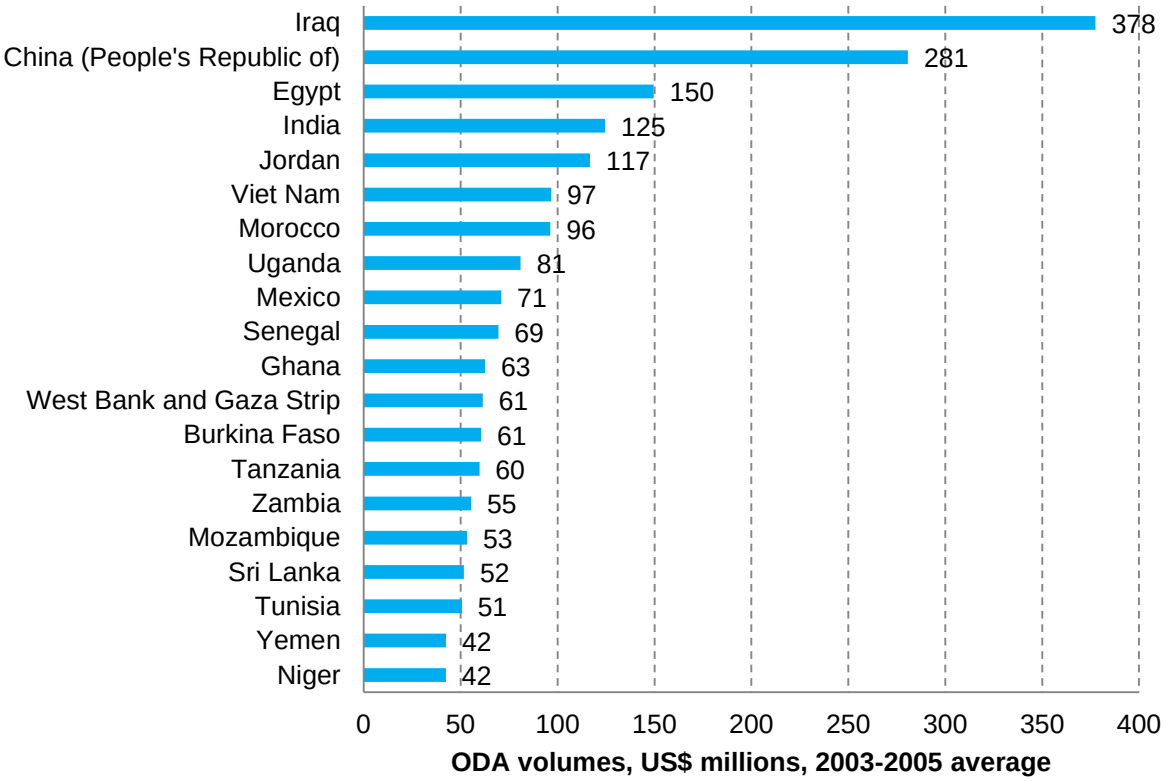


Source: OECD CRS

China, India and Viet Nam have been consistently high receivers of aid to the sector over the past 10 years. Comparing the largest recipients of aid in 2011–2013 with 2003–2005 shows only slight shifting patterns of resource allocation. The largest recipients of aid to water and sanitation over 2003–2005 were Iraq, China and Egypt. Eight countries, including four priority countries, appear in the 20 largest recipients for both 2003–2005 and 2011–2013: India, China, Viet Nam, Morocco, West Bank and Gaza strip, Burkina Faso, Tanzania and Mozambique.

Aid has become less concentrated among the 10 largest recipients, even as volumes received by the 10 largest have become more substantial. Overall volumes received by the 10 largest recipients of aid to the sector reached US$1.46 billion in 2003–2005, or 43.7% of total ODA to the sector (average of totals over 2003–2005), while the 10 largest recipients in 2011–2013 received US$2.27 billion, or 34.8% of average total ODA to the sector.

Figure 3.12. 20 largest recipients of water and sanitation ODA, ODA volumes, US$ millions, based on 3-year average 2003–2005

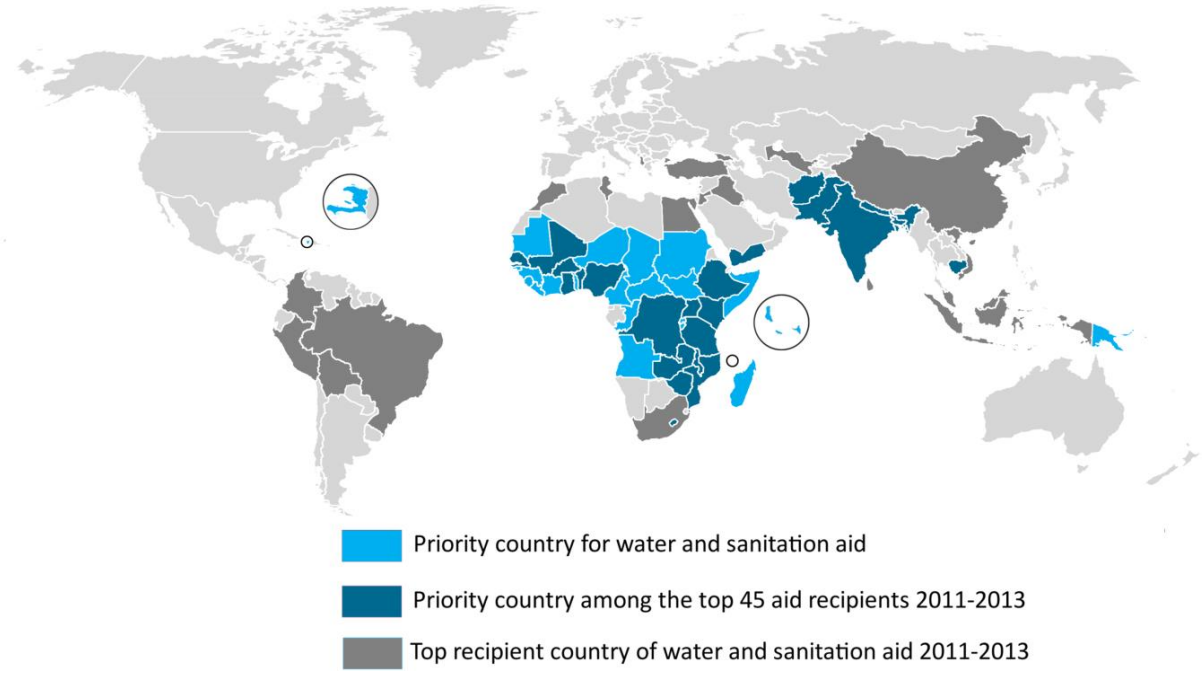


Source: OECD CRS

3.2.3 Half of the largest recipients of water and sanitation aid are priority countries

Mapping ODA allocations against priority countries makes it possible to analyse whether they are driven by country needs, and consider the domestic capacity of countries to respond to these needs. Map 2 shows that 22 countries among the largest 45 aid recipients in water and sanitation are also priority countries.

Map 2. 45 largest recipients of water and sanitation aid and 45 priority countries



Source: OECD CRS

India, followed by Tanzania and Ethiopia, is the largest recipient of aid to water and sanitation among the 45 priority countries. Table 4 shows countries' ranking based on volumes of water and sanitation aid received among all recipient countries. A number of priority countries affected by conflict and instability, such as Somalia and the Central African Republic, received some of the smallest volumes of aid.

Table 4. Priority countries' rank among all 182 recipient countries of water and sanitation aid, based on 2011–2013 average ODA volume received

Rank	Priority country
1	India
4	Tanzania
7	Ethiopia
8	Kenya
9	Bangladesh
11	Mozambique
13	Nigeria
17	Congo, Dem. Rep.
18	Burkina Faso
22	Afghanistan
23	Senegal
25	Lesotho
26	Uganda
28	Zambia
30	Pakistan
31	Ghana
32	Malawi
34	Cambodia
36	Nepal
38	Benin
43	Mali
45	Yemen
49	Mauritania
50	Rwanda
51	Niger
53	Sudan
54	Sierra Leone
55	Côte d'Ivoire
56	Haiti
60	Burundi
61	Cameroon
64	South Sudan
66	Chad
68	Madagascar
69	Angola
84	Liberia
91	Togo
93	Somalia
94	Guinea
96	Central African
97	Papua New Guinea
102	Congo, Rep.
104	Guinea-Bissau
111	Comoros

Source: OECD CRS

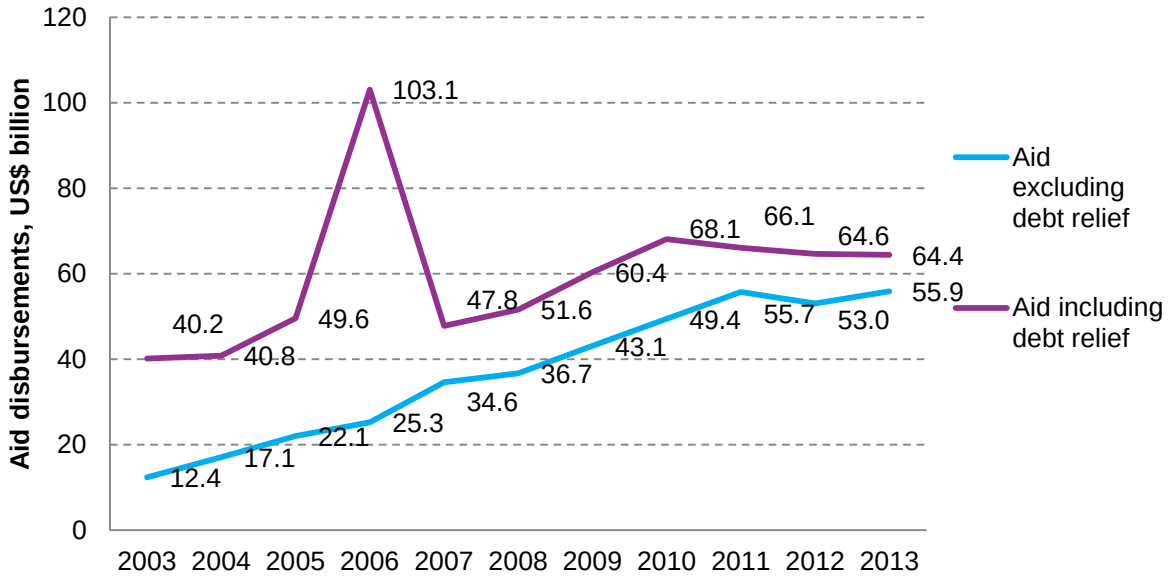
3.3 Trends in aid to priority countries

This section looks at aid trends to priority countries, and whether aid to the water and sanitation is targeted to the 45 priority countries identified in Part I.

3.3.1 Overall aid to priority countries is increasing

Aid to the 45 priority countries has increased year on year since 2003, apart from 2011 to 2012. In 2013, overall aid, excluding debt relief, to all priority countries reached US$55.9 billion, up from US$53 billion in 2012.

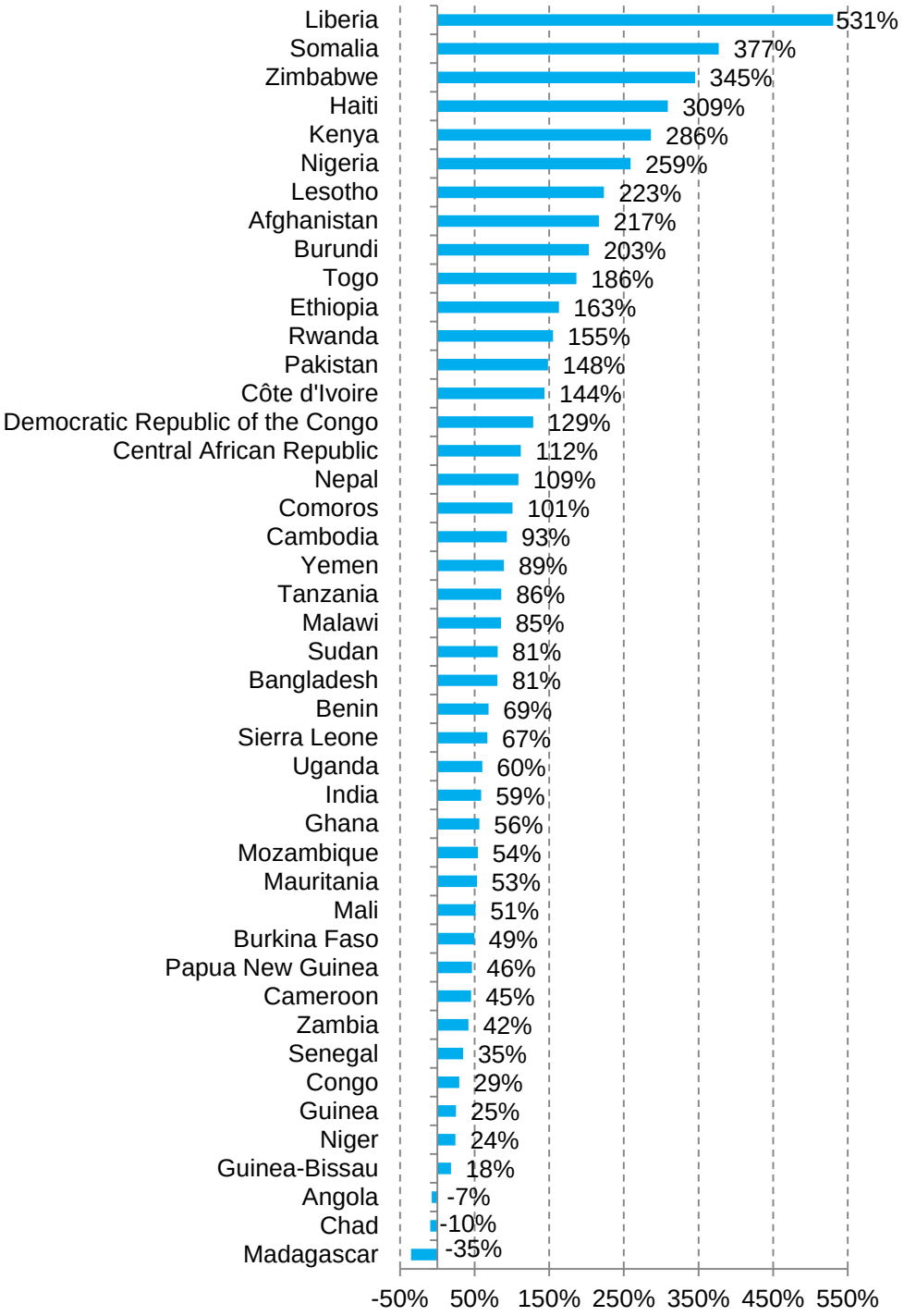
Figure 3.13. Aid disbursements to 45 priority countries, including and excluding debt relief, all sectors 2003–2013



Source: OECD CRS

Over 2003–2005 to 2011–2013, all priority countries saw increases in total sector allocable aid except Madagascar, Chad and Angola, which experienced aid reductions. Liberia experienced the largest increase, with a more than six-fold increase; Somalia, Zimbabwe and Haiti also saw large increases. A rapid increase in aid cash inflows can raise concerns on aid absorption, depending on how the aid is channelled and used.

Figure 3.14. Change in sector allocable aid volumes to 44 priority countries over 2003–2005 to 2011–2013, based on annual averages over 3-year periods[33]



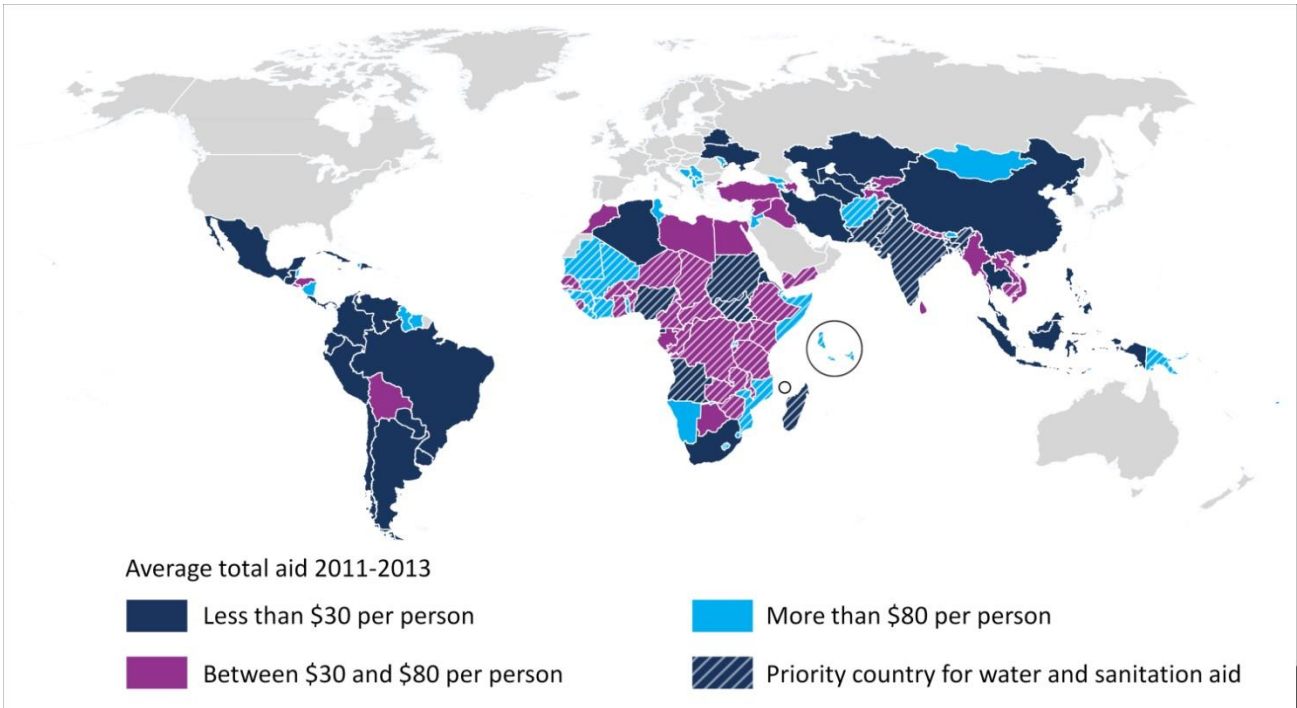
Source: OECD CRS

On average, priority countries receive less aid per person than do developing countries overall. Priority countries receive on average US$73 gross aid per person per year, based on average annual aid across all sectors, compared with US$157 average across

[33] South Sudan is excluded from this chart because it was not a country in 2003–2005.

all countries. As shown in Map 3, 7 priority countries receive less than US$30 per person.

Map 3. Map of overall aid to countries per person, based on 2011–2013 annual average

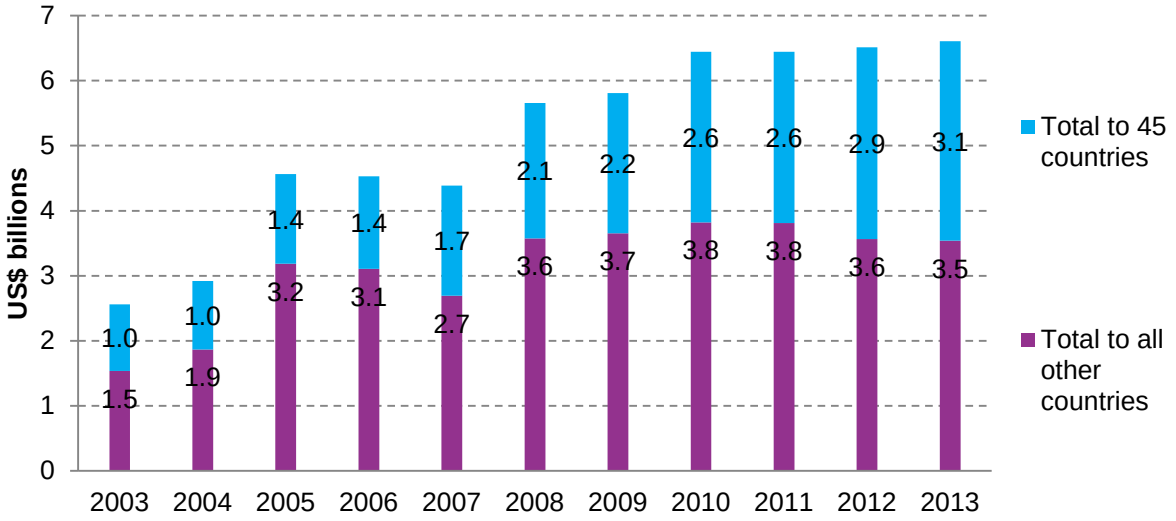


Source: OECD CRS and World Bank

3.3.2 Aid to water and sanitation to priority countries is increasing

Aid volumes in water and sanitation to priority countries have steadily increased over 2003-2013, in line with the trend of increasing aid to these countries overall. In contrast, water and sanitation aid to other recipient countries has fluctuated more in terms of volume. In 2013, aid to the 45 countries reached US$3.06 billion, compared with US$1.02 billion in 2003.

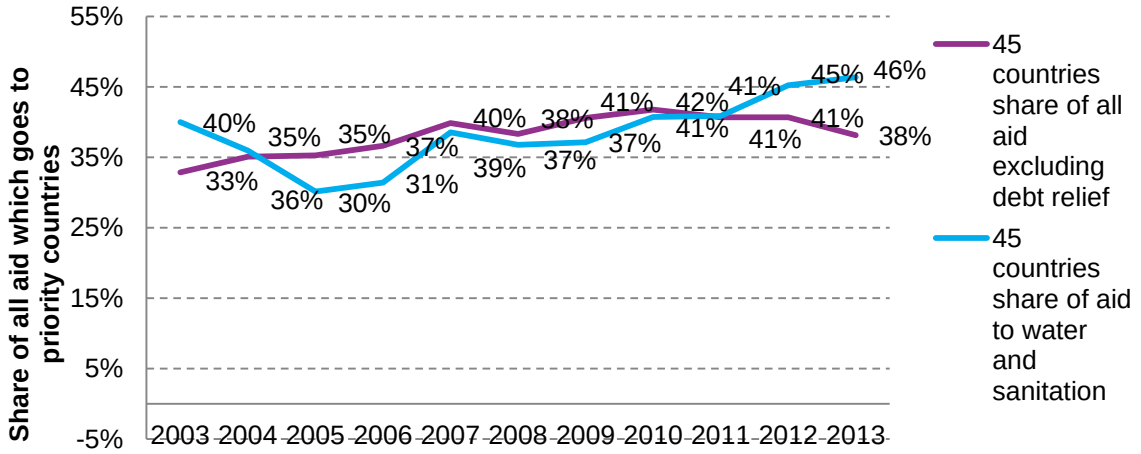
Figure 3.15. Aid to water and sanitation to 45 countries, US$ billions, 2003–2013



Source: OECD CRS

Priority countries receive a large share of total water and sanitation aid compared with their share of overall aid to all sectors. In 2013, the 45 priority countries received 38% of all aid excluding debt relief, and 46% of aid to the water and sanitation sector. This shows these countries have been prioritised for aid allocation to the water and sanitation sector. The 2013 share of 46% is the highest recorded over the 10-year period, and compares only 30% of sector aid going to the 45 priority countries in 2005. In 2011, 45 countries received 41% of both all aid and aid to the sector; however, while priority countries' share of overall aid decreased in subsequent years, their share of aid to the sector increased.

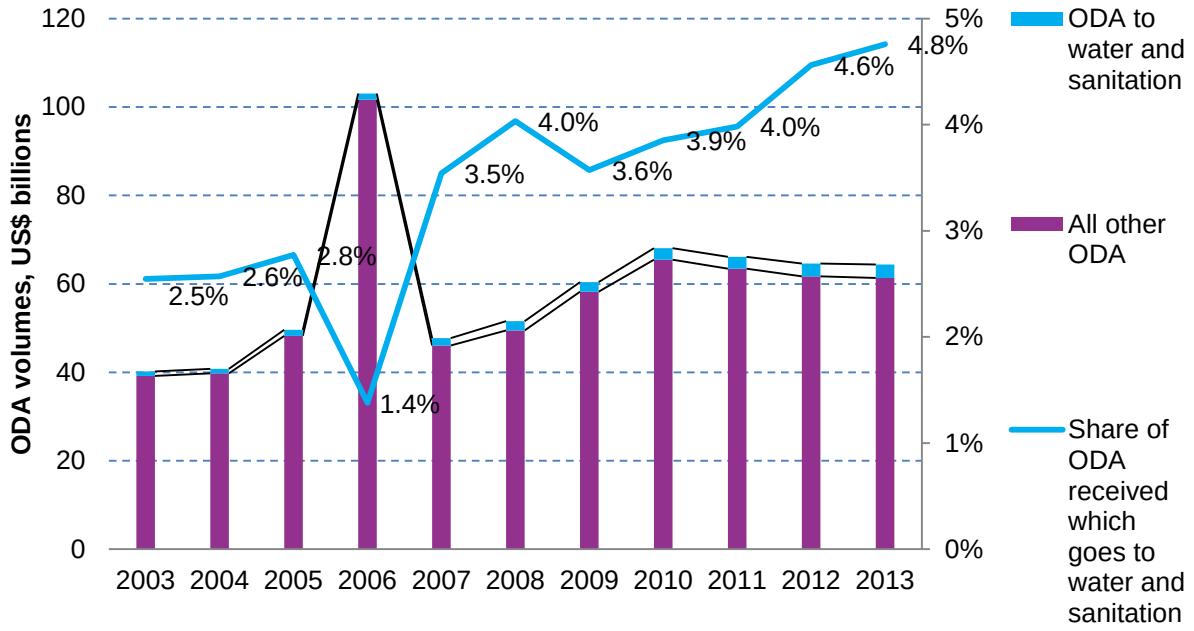
Figure 3.16. Share of all water and sanitation aid and share of total aid excluding debt relief



Source: OECD CRS

The growth in aid to water and sanitation for priority countries is outpacing the growth of overall aid to these countries. Over 2003–2005 to 2011–2013, total aid to the 45 countries increased by 47%, while aid to the sector increased by 151%. Between 2011 and 2013, overall aid to priority countries decreased by 2.6%, while aid to the sector grew by 16%.

Figure 3.17. Total aid to priority countries, and aid going to water and sanitation, US$ billions

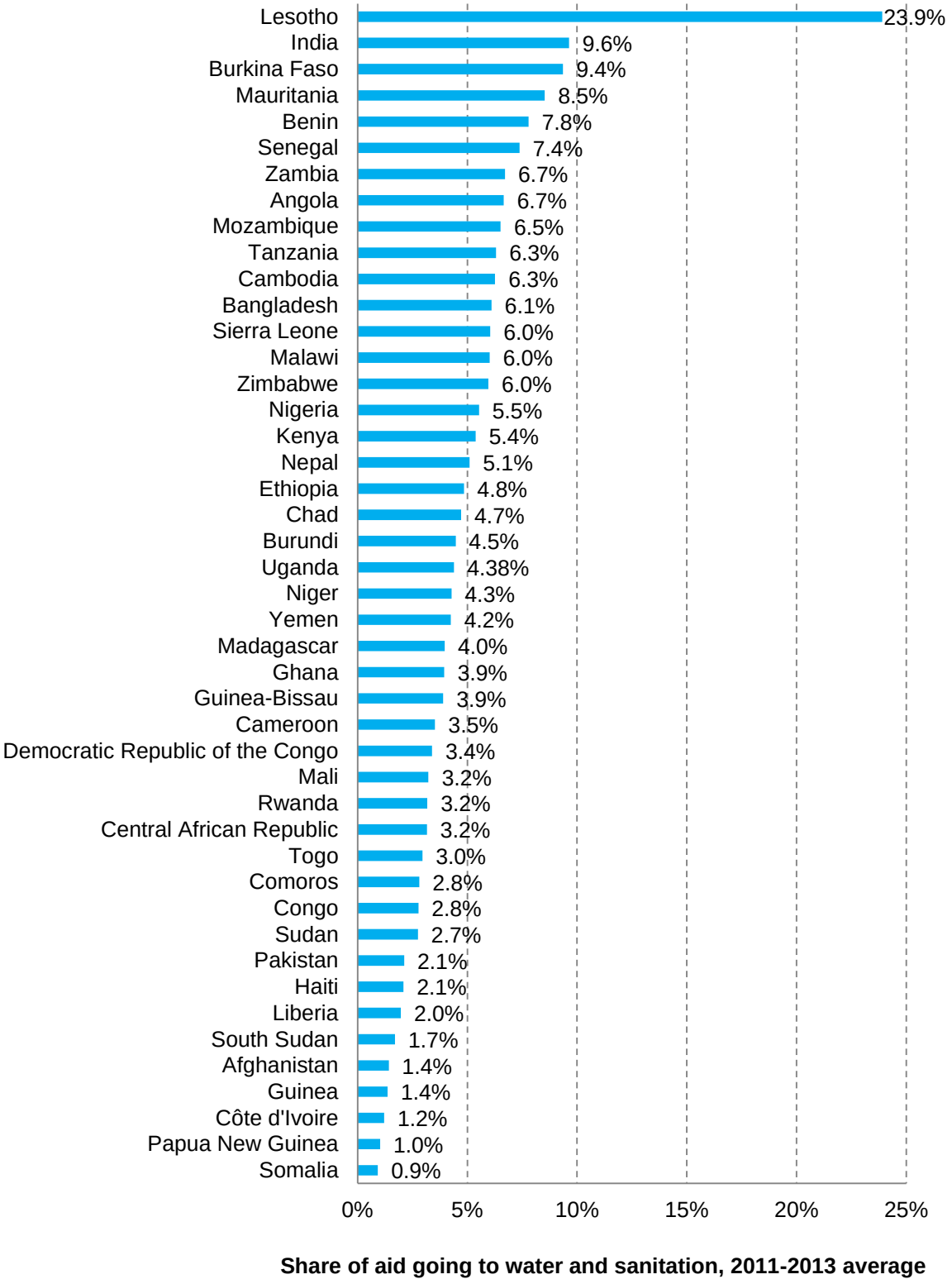


Source: OECD CRS

Priority countries receive a larger share of aid in the water and sanitation sector than other recipient countries do. Aid to water and sanitation represented 4.4% of all aid received by 45 recipient countries on average over 2011–2013, **slightly above the average for all countries of 4.2%, indicating that there is some prioritisation of priority countries in aid allocation to the sector.** In 2013, a 10-year high was reached as 4.8% of aid to 45 countries went to water and sanitation, compared with 3.9% of aid for all countries in 2013.

Among the 45 countries, 24 countries fell below the average of 4.4% including mostly LDCs in sub-Saharan Africa, on average over 2011–2013. LDCs are likely to have important needs across multiple sectors, given that LDC status looks at a number of socio-economic indicators including education and nutrition. Among priority countries, Lesotho receives the largest share of its total aid to the water and sanitation sector, reaching 24% on average over 2011–2013. India, the largest recipient of water and sanitation aid in volume, receives 9.6% of its aid to the sector.

Figure 3.18. Share of all aid going to water and sanitation for priority countries, 2011–2013 average

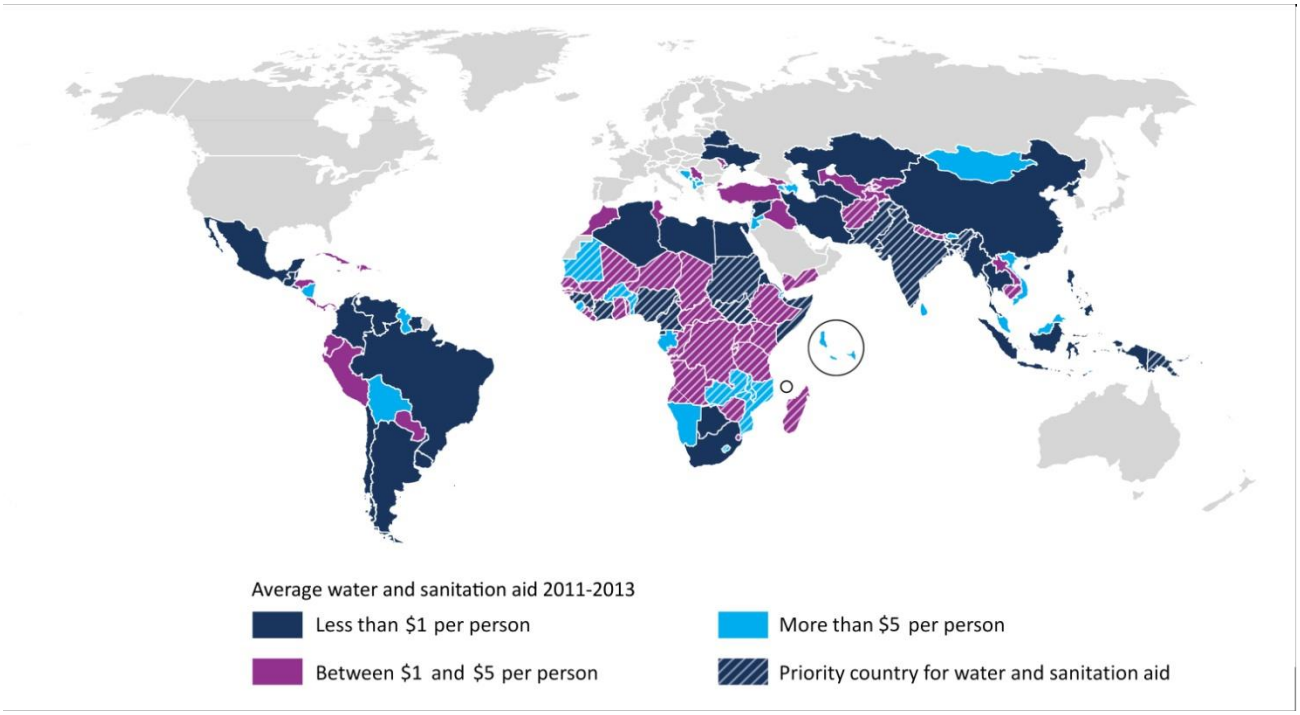


Source: OECD CRS

3.3.3 Water and sanitation aid per person is lower in priority countries than across all countries overall

Although priority countries receive an increasing share of aid to the water and sanitation sector, priority countries still receive lower shares of water and sanitation per person, on average, than do developing countries overall. On average across all countries, water and sanitation aid is worth US$8.4 per person per year, while across 45 priority countries, it is worth only US$3.7 per person per year. Excluding India, Pakistan, Bangladesh and Nigeria, four priority countries with high population, the average water and sanitation aid per person is still at only US$ 4.1, below average across all countries.

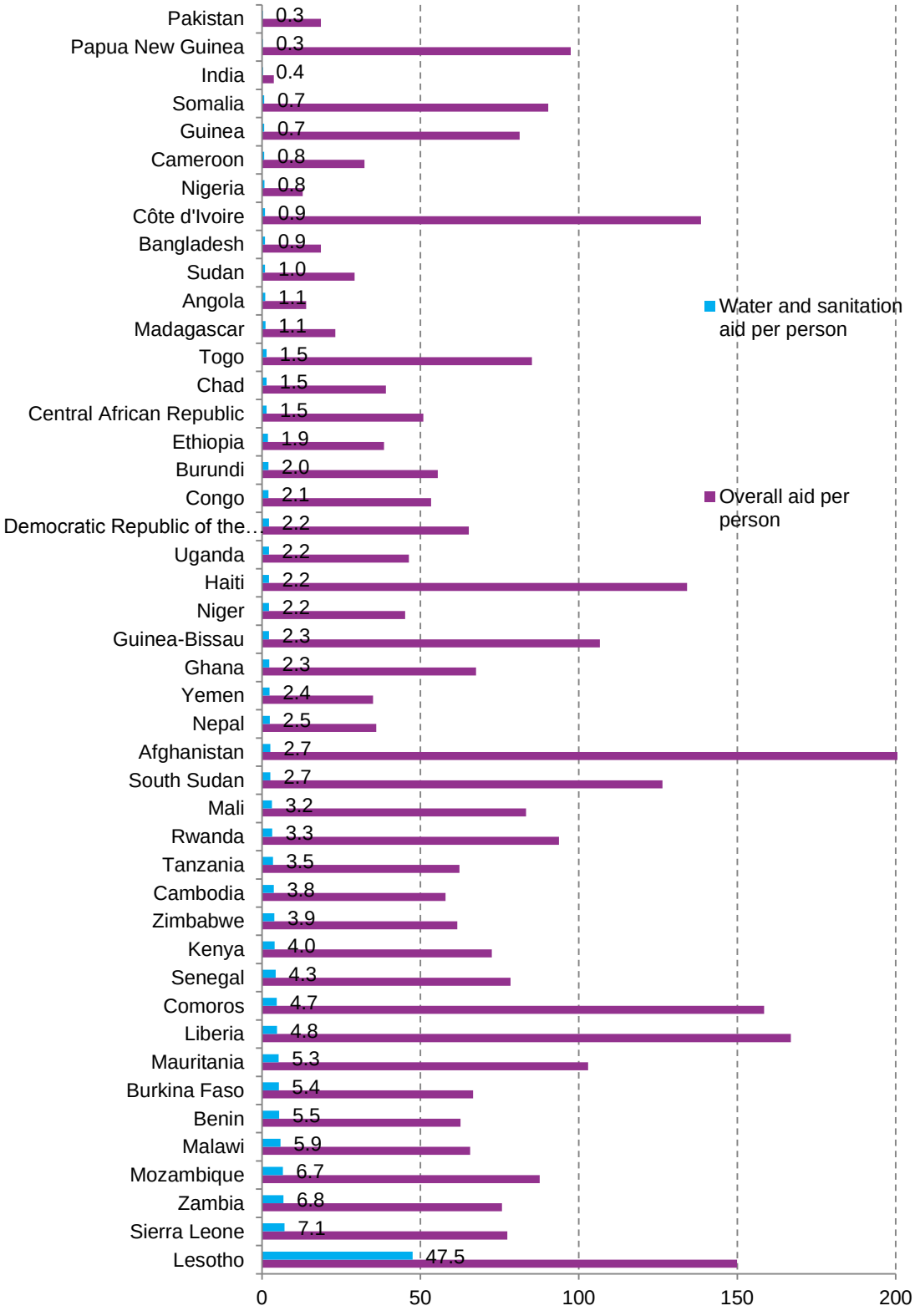
Map 4. Map of water and sanitation aid to countries per person, based on 2011–2013 annual average



Source: OECD CRS and World Bank

Among 44 priority countries, Lesotho, a country with a small population, receives the most aid per person in water and sanitation, at US$48 per person. Pakistan receives the lowest level of water and sanitation aid per person among priority countries, at US$0.3 per person. Sixteen countries receive less than US$2 per person in water and sanitation aid.

Figure 3.19. Aid to water and sanitation per person and overall aid per person for 44 priority countries, 2013 aid flows, US$



Source: OECD CRS

Part 4 How is aid used? Aid to sub-sectors

4.1 Aid to sub-sectors of water and sanitation

4.1.1 Overall trends: aid goes mainly to large systems

Through the OECD DAC, donors report on their aid to water and sanitation by sub-sector through purpose codes (see Annex 1 for a full description of purpose codes)., Table 5 shows how eleven purpose codes are grouped into four broad areas of support for the purpose of this analysis

Table 5. Areas of support to water and sanitation based on OECD DAC purpose codes[34]

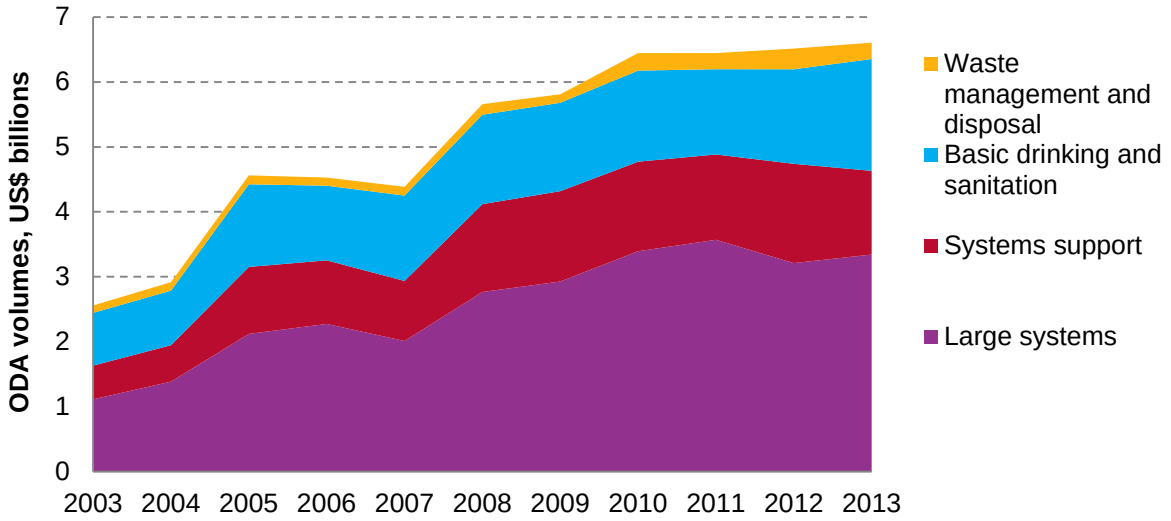
Area of support or sub-sector	Purpose code
Large systems	Water supply and sanitation – large systems Water supply – large systems Sanitation – large systems
Basic drinking and sanitation	Basic drinking water supply and basic sanitation Basic drinking water supply Basic sanitation
Systems support	River basins development Water resources policy and administrative management Water resources protection Education and training
Waste management and disposal	

[34] OECD DAC data can present limitations in sector coding as each project can be assigned only one sector code (to avoid double-counting). For example, basic water systems that are delivered through broader integrated water resource management programmes may be captured under 'water sector policy' rather than 'basic systems'.

To distinguish between 'basic' and 'large systems', the OECD DAC recommends donors consider the number of people being served and the per capita cost of providing services. Large systems provide water and sanitation to a community through a network that connects individual households, and basic systems are generally shared between several households.[35] Still, donors face reporting challenges in disaggregating flows from 'large' to 'basic', and tend to report urban projects as 'large' and rural projects as 'basic' and base reporting on the type of technology used in the project.[36]

The three categories – aid to large systems, aid to basic drinking and sanitation, and aid to systems support – received the bulk of water and sanitation aid: donors report 95% of their aid under purpose codes in these categories for 2011–2013. Aid to waste management and disposal received small shares of aid in the water and sanitation sector.

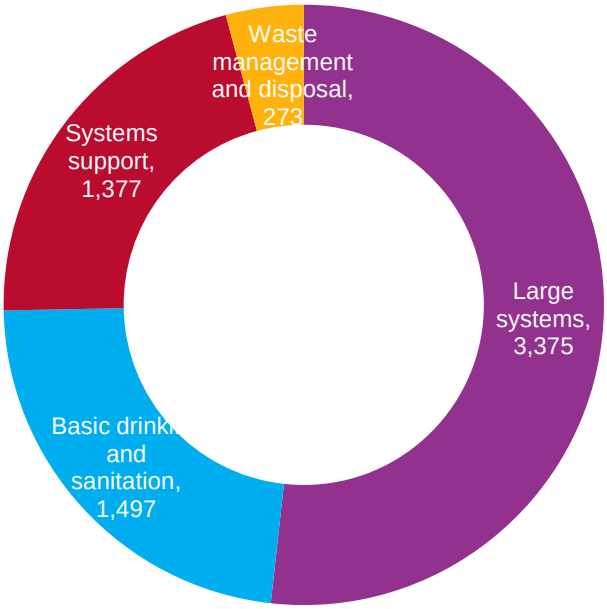
Figure 4.1. Water and sanitation aid to sub-sectors, 2003–2013, US$ billions



Source: OECD CRS

[35] See Cotton (undated)
[36] See Cotton (2013) for an overview of reporting challenges in the water and sanitation sector.

Figure 4.2. Aid to water and sanitation sub-sectors, 2011–2013 average, US$ millions, aid from all donors



Source: OECD CRS

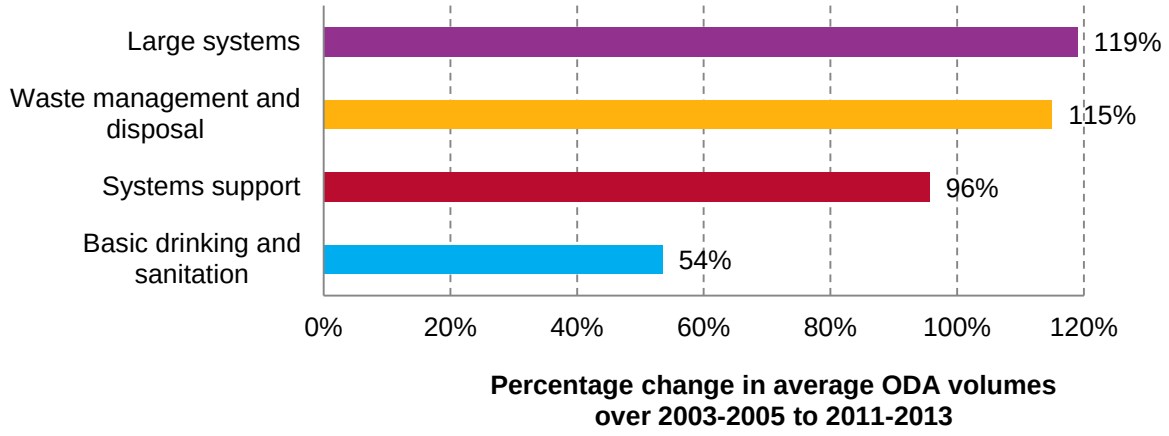
Aid to large systems received US$3.4 billion per year on average over 2011–2013 or 52% of aid to the water and sanitation sector. Aid to large systems includes potable water treatment plants; water supply pumping stations; large scale transmission/conveyance and distribution systems. Having increased by 119% since 2003–2005, aid to large systems has grown comparatively more than aid to all other sub-sectors.

Aid to basic drinking and sanitation received US$1.5 billion of aid over 2011–2013, or 23% of aid to the water and sanitation sector. Basic drinking includes rural water supply schemes using hand pumps, spring catchments, gravity-fed systems, rainwater collection and fog harvesting, storage tanks, small distribution systems typically with shared connections/points of use, and urban schemes using hand pumps and local neighbourhood networks including those with shared connections. Basic sanitation includes latrines, on-site disposal and alternative sanitation systems, including the promotion of household and community investments in the construction of these facilities. Aid to basic drinking and sanitation has increased by at least 54% on average over 2003–2005 and 2011–2013.

Aid to systems support received US$1.4 billion of aid over 2011–2013, or 21% of aid to the water and sanitation sector. Aid to systems support is mainly composed of aid to water resources policy and administrative management and river basins development, followed by water resources protection. A small share goes to education and training in water and sanitation. Between 2003–2005 and 2011–2013, aid directed to systems support increased by 96%.

Aid to waste management and disposal received US$273 million in aid over 2011–2013, or 4% in aid to the water and sanitation sector. It experienced a 115% increase, the second largest after aid to large systems.

Figure 4.3. Change between 2003–2005 and 2011–2013 in aid to water and sanitation sub-sectors (based on 3-year averages), all donors



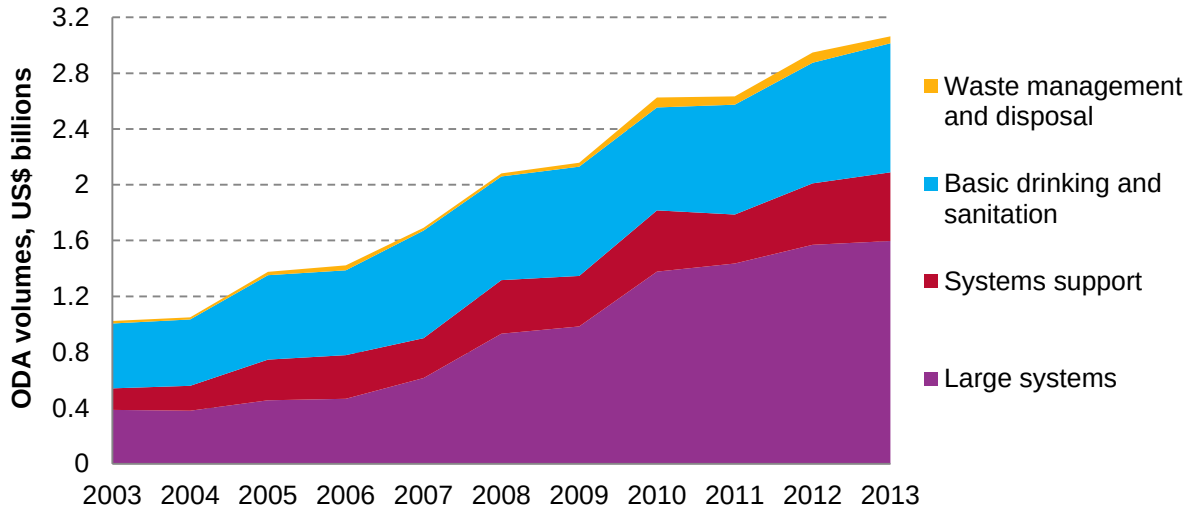
Source: OECD CRS

Therefore, aid to large systems not only receives the largest share of aid to the sector, it is also increasing fastest. Aid to basic drinking and sanitation has grown less than overall aid to the sector. There is a need for comparable information on results to understand the impact of aid to large systems compared with aid to basic drinking and sanitation, including impact on people living in poverty.

4.1.2 Sub-sectors for priority countries: aid to large systems increasing

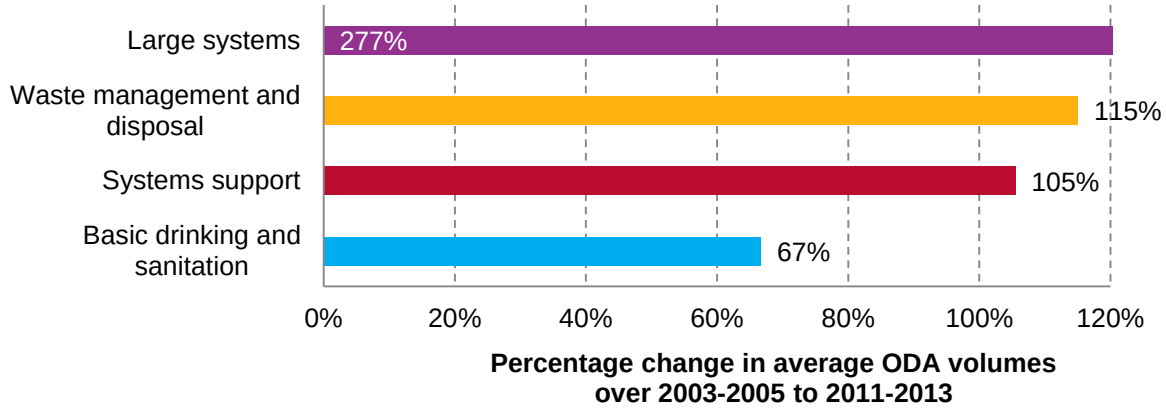
Aid to large systems has received the bulk of water and sanitation aid to the 45 priority countries in recent years, surpassing aid to basic drinking and sanitation. Aid to large systems increased by 277% for 45 priority countries, compared with a 119% increase for all countries over 2003–2005 to 2011–2013. Table 6 shows that in 2013, half of the 20 largest projects in the sector were in priority countries. Aid to basic drinking systems increased much more slowly over the same period, by 67% compared with 54% for all countries.

Figure 4.4. Water and sanitation aid to sub-sectors to 45 priority countries, 2003–2013, US$ billions



Source: OECD CRS

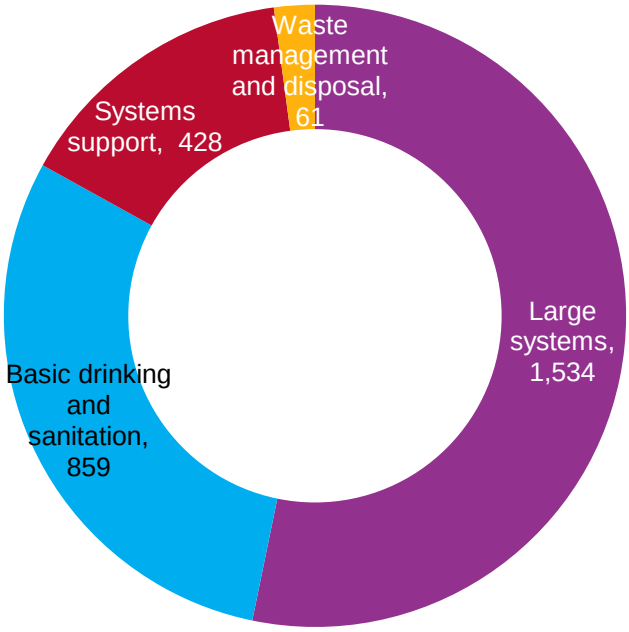
Figure 4.5. Change between 2003–2005 and 2011–2013 in aid to water and sanitation sub-sectors (based on 3-year averages), all donors, for 45 priority countries



Source: OECD CRS

Over 2011–2013 on average, aid to large systems to 45 priority countries reached US$1.5 billion on average, 45% of the US$3.4 billion that went to large systems across all developing countries. Aid to basic drinking and sanitation was US$859 million, or 57% of total aid to the subsector for all countries. Aid to systems support was US$428 million – less than a third (31%) of all aid to the subsector. Aid to waste management and disposal to the 45 countries was negligible at US$61 million, or 22% of all aid to waste management and disposal.

Figure 4.6. Aid to water and sanitation sub-sectors for 45 priority countries, 2011–2013 average, US$ millions, aid from all donors



Source: OECD CRS

4.2 Aid to water, and aid to sanitation

4.2.1 Overall trends: water and sanitation aid goes mainly to water

In 2010, new purpose codes were introduced to the OECD DAC Creditor Reporting System to distinguish between aid to water and aid to sanitation where possible. This has improved the monitoring of resources for the MDG indicators.

The four new purpose codes disaggregating aid to water from aid to sanitation are:

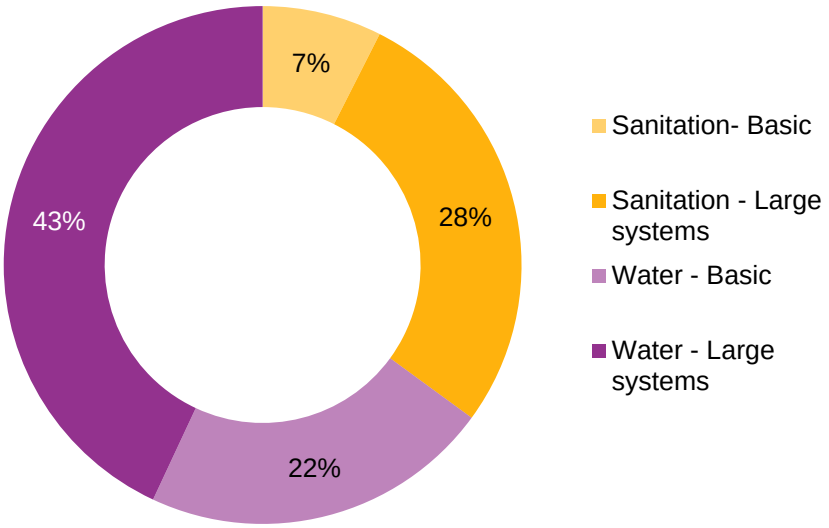
- Basic drinking **water** supply
- **Water** supply – large systems
- Basic **sanitation**
- **Sanitation** – large systems

This presents some challenges, in particular that improved donor reporting under these purpose codes may skew growth analysis. The ability of donors to disaggregate reporting using these purpose codes depends on their internal management information and reporting systems.

Disaggregating by aid to water and aid to sanitation using these four purpose codes shows that sanitation consistently receives lower amounts of ODA, while large-scale water projects receive the largest share. A total of US$1.9 billion of ODA to water and sanitation could be disaggregated between water and sanitation spending in 2013. Of this, **aid to water** received 65%, including the largest share: 43% to large water systems, while basic water received 22%. **Aid to sanitation** represented 35% of

the ODA to the sector that can be disaggregated. Basic sanitation received the least at 7%, while aid to large sanitation systems comprised 28% of all aid disaggregated by water and sanitation in 2013.

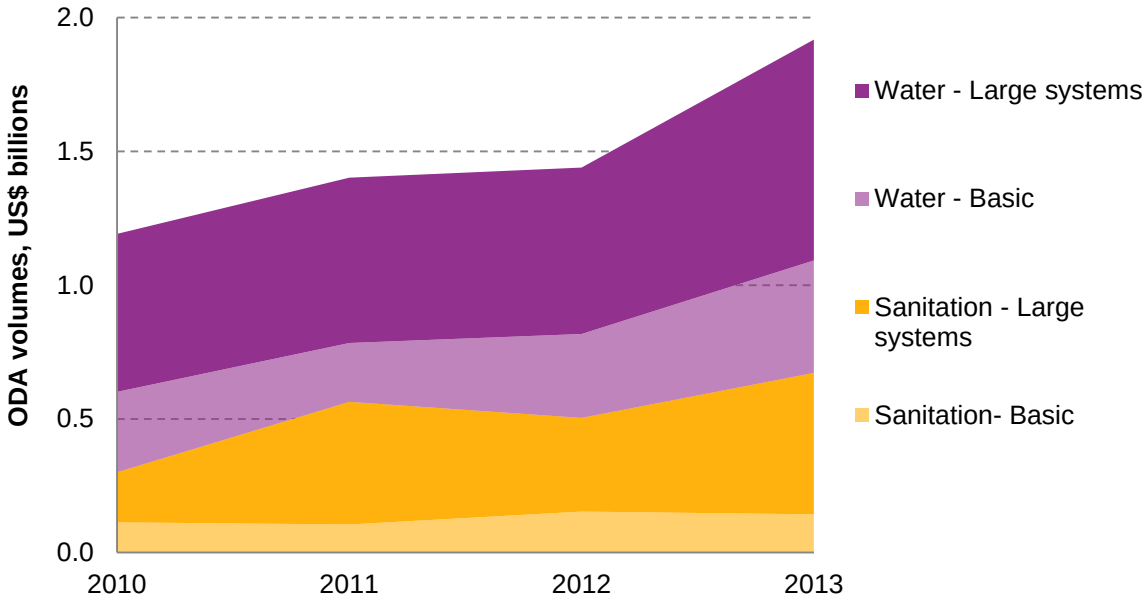
Figure 4.7. Aid to water compared with aid to sanitation in 2013



Source: OECD CRS

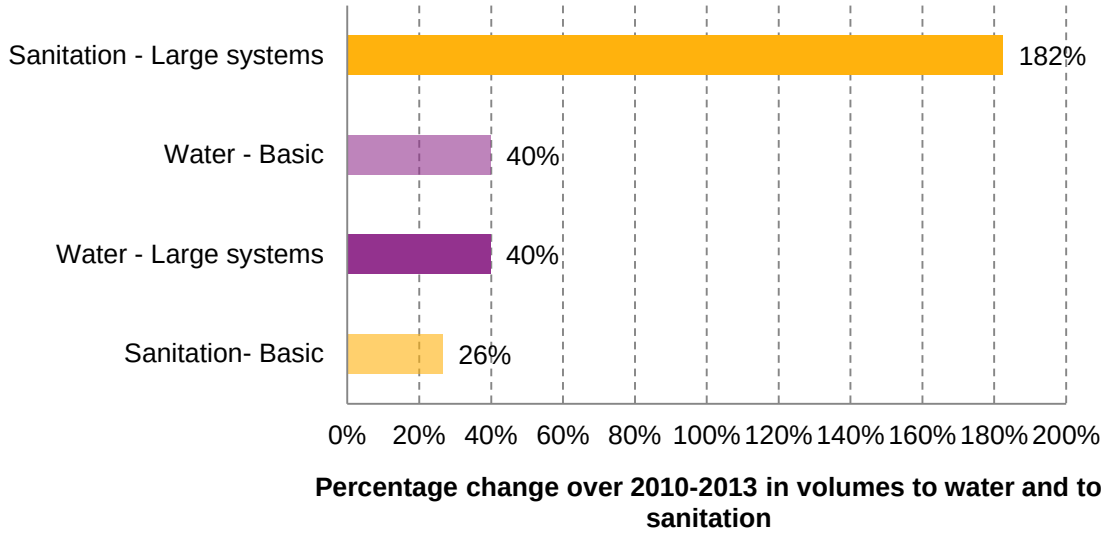
These 2013 figures are in line with overall trends since 2010. However, **recent growth figures indicate a strong increase in large-scale sanitation support.** Figure 4.8 shows that between 2010 and 2013, aid to large sanitation systems increased the most of the four areas of support, by 182%. This represents nearly a doubling of aid volumes to large-scale sanitation, while aid to basic sanitation showed only small increases of 26% overall over the same time. Aid to water largely remained stable, showing a 40% increase for both basic and large systems.

Figure 4.8. Aid to water and aid to sanitation, 2010–2013, US$ billions



Source: OECD CRS

Figure 4.9. Change in aid volumes to water and to sanitation over 2010–2013



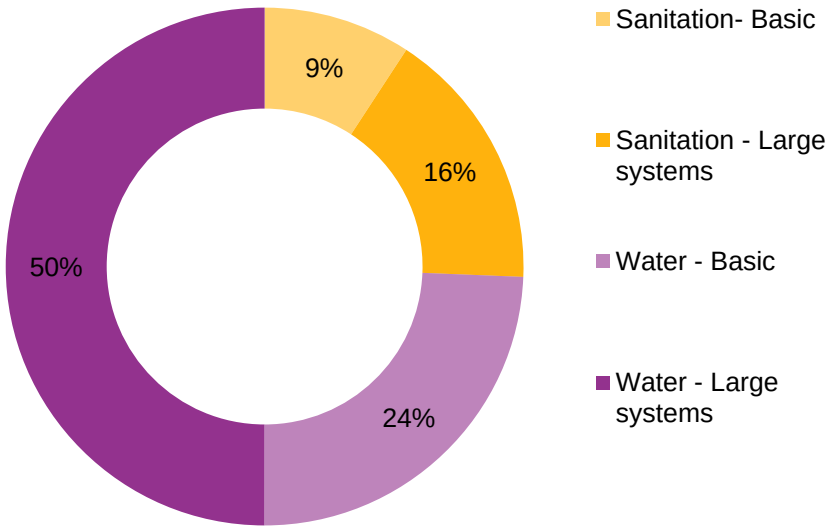
Source: OECD CRS

4.2.2 Priority countries receive more aid to water than to sanitation

Given the difference in progress to water targets and sanitation targets, it is important to disaggregate flows to each sub-sector.

In 2013, half of aid that can be disaggregated went to large water systems (50%), followed by water basic systems (24%). This shows that sanitation only received a quarter of aid going to 45 priority countries for the sector, and was mainly delivered as large systems (16%). Only 9% went to basic sanitation.

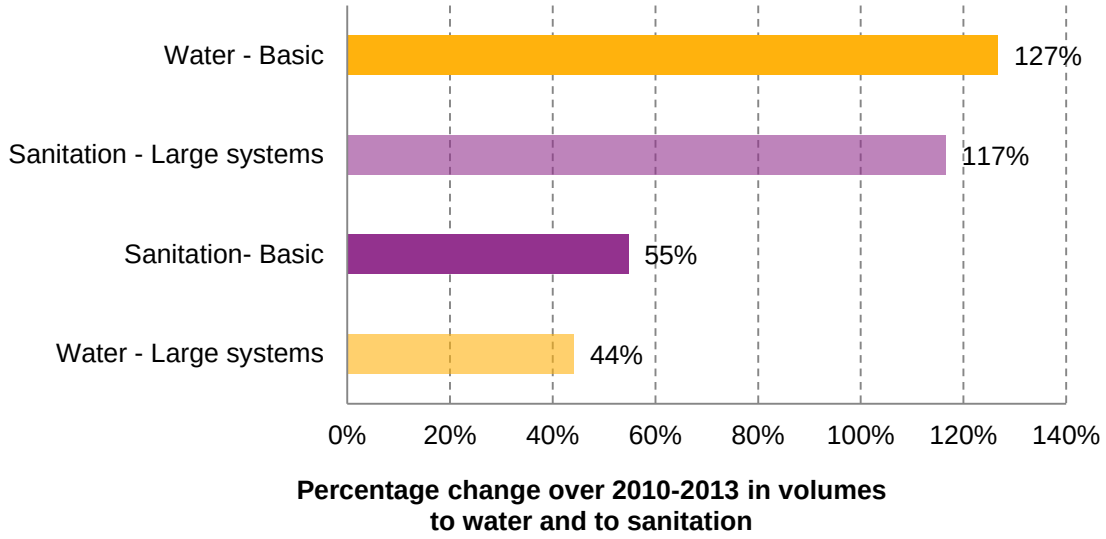
Figure 4.10. Aid to water compared with aid to sanitation for 45 priority countries, 2013, share of total aid that can be disaggregated



Source: OECD CRS

Since 2010, when new purpose codes were introduced to disaggregate water and sanitation aid, aid to basic water increased the most for 45 countries, showing a 127% increase over 2010–2013. Aid to large systems in sanitation experienced the second largest increase at 117%.

Figure 4.11. Change in aid to water and sanitation for 45 priority countries over 2010–2013



Source: OECD CRS

4.3 Project-level trends: large projects are a significant share of aid to the sector

Large projects, with gross disbursements over US$10 million, make up a significant proportion of aid to water and sanitation. In 2013, 9,224 water and sanitation aid projects were recorded in the OECD DAC CRS. Of these, there were 145 projects individually worth over US$10 million, between them accounting for 42% of total aid to water and sanitation. In 2010 there were 114 water and sanitation projects with disbursements over US$10 million; the total value of these was US$2.5 billion or 41% of aid to the sector.

The 10 largest water and sanitation projects in 2013 were large-scale projects addressing water and sanitation systems. Donors to these included the Japanese International Cooperation Agency (JICA), the International Development Agency (IDA), the United States Millennium Challenge Corporation (MCC), the African Development Fund (AfDF) and the French Development Agency (AFD).

Among the 20 largest projects in water and sanitation in 2013, 10 projects were in priority countries, including India (3 projects), Mozambique (2 projects), Ethiopia, Tanzania, Bangladesh, Nigeria and Afghanistan. There is a lack of comparable data about the impact of large-scale projects on water and sanitation access for poor people.

Table 6. 10 water and sanitation projects in 2013, by US$ disbursement volumes[37]

Project title	Disbursements, US$ millions	Donor	Recipient	Type	Sub-sector
Pahang-Selangor Raw Water Transfer project	121.9	JICA	Malaysia	ODA Loans	River basins' development
Non Revenue Water Control Project in Sao Paulo State	61.8	JICA	Brazil	ODA Loans	Water supply – large systems
Ethiopia Promoting Basic Services Program Phase III Project	51.1	IDA	Ethiopia	ODA Loans	Water supply and sanit. – large systems
Urban Water Supply Systems Activity	49.6	United States (MCC)	Mozambique	ODA Grants	Water supply – large systems
Municipal Sanitation and Drainage Systems Activity	40.3	United States (MCC)	Mozambique	ODA Grants	Sanitation – large systems
Rural water supply and sanitation phase	36.4	AfDF	Tanzania	ODA Loans	Water supply and sanit. – large systems
Financement programme d'assainissement STA C.	33.2	AFD	Brazil	ODA Loans	Sanitation – large systems
Expansion of Wastewater Treatment Capacity Activity	32.2	United States (MCC)	Jordan	ODA Grants	Sanitation – large systems
Hogenakkal Water Supply and Fluorosis Mitigation Project	31.9	JICA	India	ODA Loans	Water supply and sanit. – large systems
Water Supply Improvement Project in Kurdistan Region	31.6	JICA	Iraq	ODA Loans	Water supply and sanit. – large systems

Source: OECD CRS

[37] Large multi-region projects are excluded because they are considered in this study as more than a single project. For example, the JICA "TC Aggregated activities" project line includes a number of small projects.

4.4 Rural and urban investments in water and sanitation

Aid data in the OECD DAC CRS currently does not disaggregate ODA flowing to rural areas from ODA to urban areas in a systematic way. Especially given the inequities between rural and urban areas in access to water and sanitation, better data is needed in this area to guide decision-making and assessments of resource allocation.

Data from a qualitative assessment of aid in water and sanitation appears to show that urban projects are larger in volume and scale on average than rural projects. Using a qualitative assessment of project descriptions, 952 projects can be identified that specifically refer to "rural" support, out of 9,224 water and sanitation aid projects. These 952 projects amount to a total of US$594 million, with average project volume at US$0.6 million. A total of 1,601 projects refer to "urban" support, and amount to a total of US$1,386 million, with average project volume at US$0.9 million.[38] The vast majority of aid projects in water and sanitation do not clearly indicate whether rural or urban areas are targeted. The quality of data on this area depends on the quality of donor reporting.

[38] Based on a word description search of all long descriptions. For "rural" support, word search included "rural", "village" or "watershed", and "ruraux" (plural of "rural" in French). For "urban" support, word search includes "urban", "cities", "city" and "town", and "ville" and "urbain" ("city" and "urban" in French).

Part 5 Who provides aid, and do they target priority countries?

5.1 Donor commitments and strategies on water and sanitation

A number of donors have made commitments to support improved access to water and sanitation; still there remains a lack of accountability. At the 2014 SWA High Level Meeting, 12 donors made 70 commitments to improve access to sanitation and water services globally. These include one multilateral donor: the African Development Bank, one private foundation, the Bill & Melinda Gates Foundation, and 10 bilateral donors: Australia, Finland, France, Germany, Japan, Sweden, Switzerland, the Netherlands, the United Kingdom and the United States. This represents only a small section of the donors providing aid to water and sanitation. Further, a number of commitments were found to reflect continuing current efforts, rather than the increase in donors' ambitions in the sector needed to achieve universal access.[39]

Donor commitments at the 2014 SWA focused on "political prioritisation" of water and sanitation, which is broadly defined and includes issues such as financing, partnership working and sub-sector focus.[40] A number of these commitments are vague, or their monitoring mechanisms may be lacking, and can therefore be difficult to monitor. For example, Japan committed to "continue to place great emphasis on water and sanitation in its ODA policy". However, Japan also committed to the more easily-monitored pledge to **"**implement the pledge made at the Fifth Tokyo International Conference on African Development to contribute to the improvement of access to safe drinking water and sanitary conditions for 10 million people, and the human resource development of 1,750 water supply engineers, over the 5 years from 2013 to 2017". Nonetheless, even where commitments are monitored, there is a lack of accountability when commitments are found not to be fulfilled.

For water and sanitation finance to be used effectively to target needs, donor strategies on aid to the sector should play a key role in mobilising and directing resources. Data from GLAAS 2014 provides information on two donor strategies in the sector: setting criteria to prioritise recipient countries and setting targets to improve access.

According to GLAAS 2014, 14 of 23 surveyed external support agencies have criteria to prioritise recipient countries, including three multilateral agencies: the African Development Bank (AfDB), the Asian Development Bank (ADB), and the Inter-American Development Bank (IDA); nine bilateral agencies, Australia, Canada, France, Germany, Netherlands, Portugal, Switzerland, the UK and the US (USAID), and two non-

[39] See SWA (2014b).
[40] The 8 donors are Australia, Finland, Germany, Japan, the Netherlands, Sweden, the UK and the US.

governmental agencies.[41] The World Bank, the European Commission and Sweden reported not having criteria for prioritising recipient countries.

As well as prioritising **water and sanitation** in policies and documents, donors are increasingly developing their own targets for **improving** water and sanitation **access**. According to GLAAS 2014, 14 of 23 external agencies surveyed report some form of multi-year target related to water and sanitation. This may include spending-level targets for country or sector aid, or targets on the number of people who will gain new or improved access to drinking water and/or sanitation services as a result of external agency support. The agencies that reported having targets included seven bilateral agencies: Australia, France, Germany, the Netherlands, Switzerland, the UK and the United States; four multilateral agencies, AfDB, ADB, UNDP and the World Bank, and three non-governmental agencies including the Bill & Melinda Gates Foundation.[42] Based on targets reported to GLAAS 2014, water and sanitation aid from 12 external support agencies will help nearly 100 million people gain access to drinking water and over 125 million people to sanitation facilities in 2015.[43]

Box 2. Donor prioritisation of water and sanitation in humanitarian response

Humanitarian crises can lead to particularly acute deprivation in access to water and sanitation. Assessing donor policies on water and sanitation in humanitarian response can reveal strategies used to inform resource allocation to conflict and instability-affected countries, and how donors prioritise water and sanitation.

Among 29 donors, 10 make explicit reference to water and sanitation in their plans and strategy documents for humanitarian response: Austria, EU, Finland, Germany, Italy, Luxembourg, Netherlands, Spain, Sweden and the United States. These 10 donors represent one-third (34%) of all donors researched.[44] This compares with 52% of donors making an explicit reference to health, 45% to education, 62% to food and 69% to the environment/climate change.

Two donors have or are producing standalone policies on water and sanitation in humanitarian response: the European Union and Luxembourg.

- The European Commission's Humanitarian Aid and Civil Protection Department (ECHO)'s operational strategy for 2014 outlines plans to further develop and disseminate guidance on thematic/cross-cutting issues in humanitarian response, including water and sanitation.[45]
- Luxembourg produced a Water and Sanitation strategy in 2012.[46]

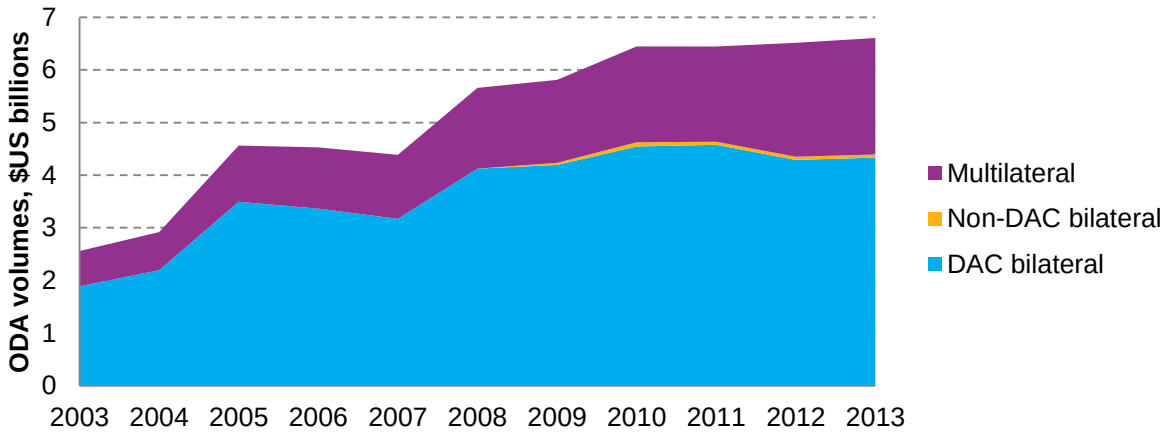
[41] For example, on the Netherland's policy, see IRC (2014). On Japan's strategy, see JICA (2012).
[42] See GLAAS 2014, Annex E
[43] See GLAAS 2014, Table 5.3
[44] Development Initiatives (2015b).
[45] ECHO (2014).
[46] Direction de la Coopération au Développement (2012)

5.2 Bilateral aid is larger, but multilateral aid is increasing rapidly

Aid to water and sanitation is increasingly delivered multilaterally, though bilateral aid continues to make up the bulk of aid to the sector. On average over 2003–2005, multilateral donors delivered 24.8% of aid to the sector, compared with 31.6% over 2011–2013. Multilateral aid to water and sanitation increased from US$0.67 billion in 2003 to US$2.21 billion in 2013.

Only three non-DAC donors report their aid to the OECD, meaning that contributions from non-DAC countries are not fully represented in the data. Reported non-DAC donors' contributions to the sector reached US$59 million in 2013: almost too small to be visible in Figure 5.1.

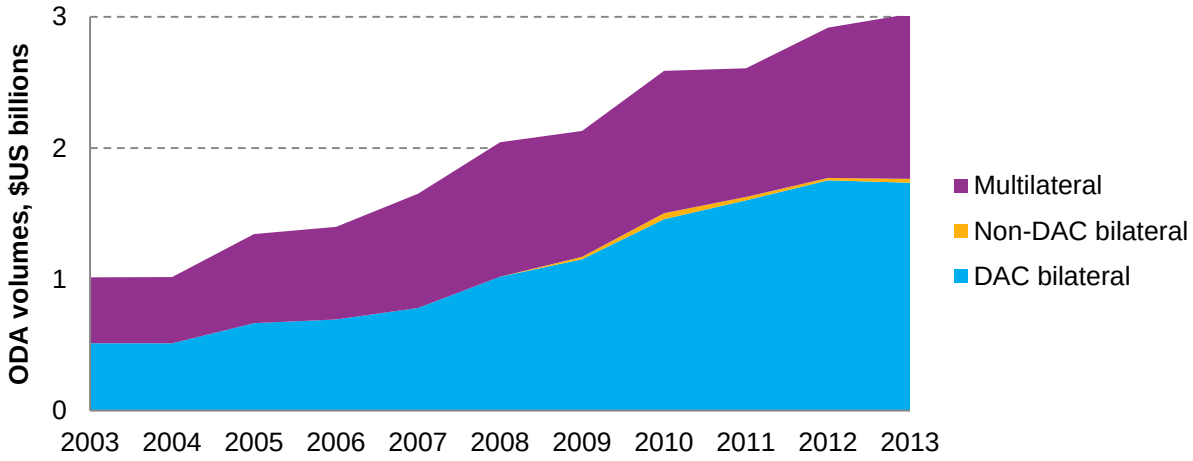
Figure 5.1. Bilateral and multilateral aid to water and sanitation to all countries, 20032013, US$ billions



Source: OECD CRS

Aid to 45 priority countries in water and sanitation comes mainly from DAC bilateral donors, who provided 57.4% of aid to these countries in 2013; multilateral donors provided 41.6% and non-DAC donors the remaining 1%. This shows that multilateral donors play a greater role in resourcing the water and sanitation sector for priority countries than they do for all countries – as multilateral donors provide 31.6% of aid to the sector overall.

Figure 5.2 Bilateral and multilateral aid to water and sanitation to 45 priority countries, 2003–2013, US$ billions



Source: OECD CRS

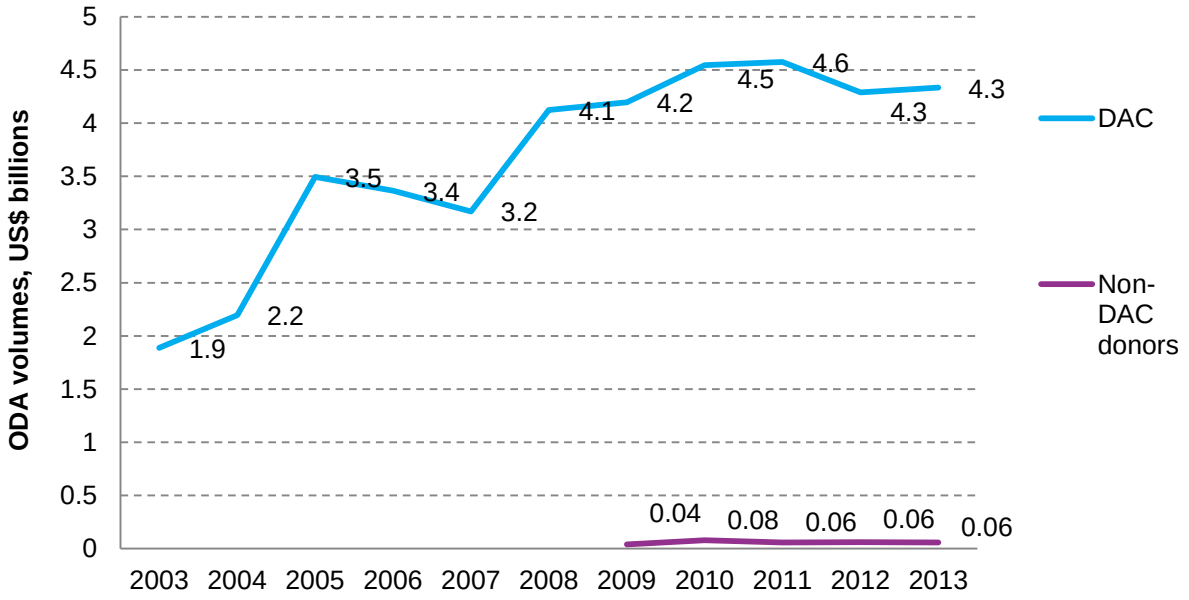
5.3 Bilateral donors

5.3.1 Bilateral aid upward trends have recently slumped

Both DAC and non-DAC donors have increased their bilateral ODA to water and sanitation since 2003. Bilateral ODA from DAC donors increased from a 3-year average of US$2.5 billion over 2003–2005, to US$4.4 billion over 2011–2013: an increase of 74%. However, between 2011 and 2013, DAC donor bilateral ODA slumped to US$4.3 billion.

The first reported bilateral ODA disbursement from a non-DAC donor was from the United Arab Emirates in 2009. In 2013, ODA disbursements to water and sanitation from two other non-DAC donors, Kuwait and Estonia, were reported to the OECD. Aid from these three donors represents an increase of 49% of non-DAC bilateral ODA to the sector over 2009–2013.

Figure 5.3 Bilateral ODA disbursements from DAC and non-DAC donors, 2003–2013, US$ billions



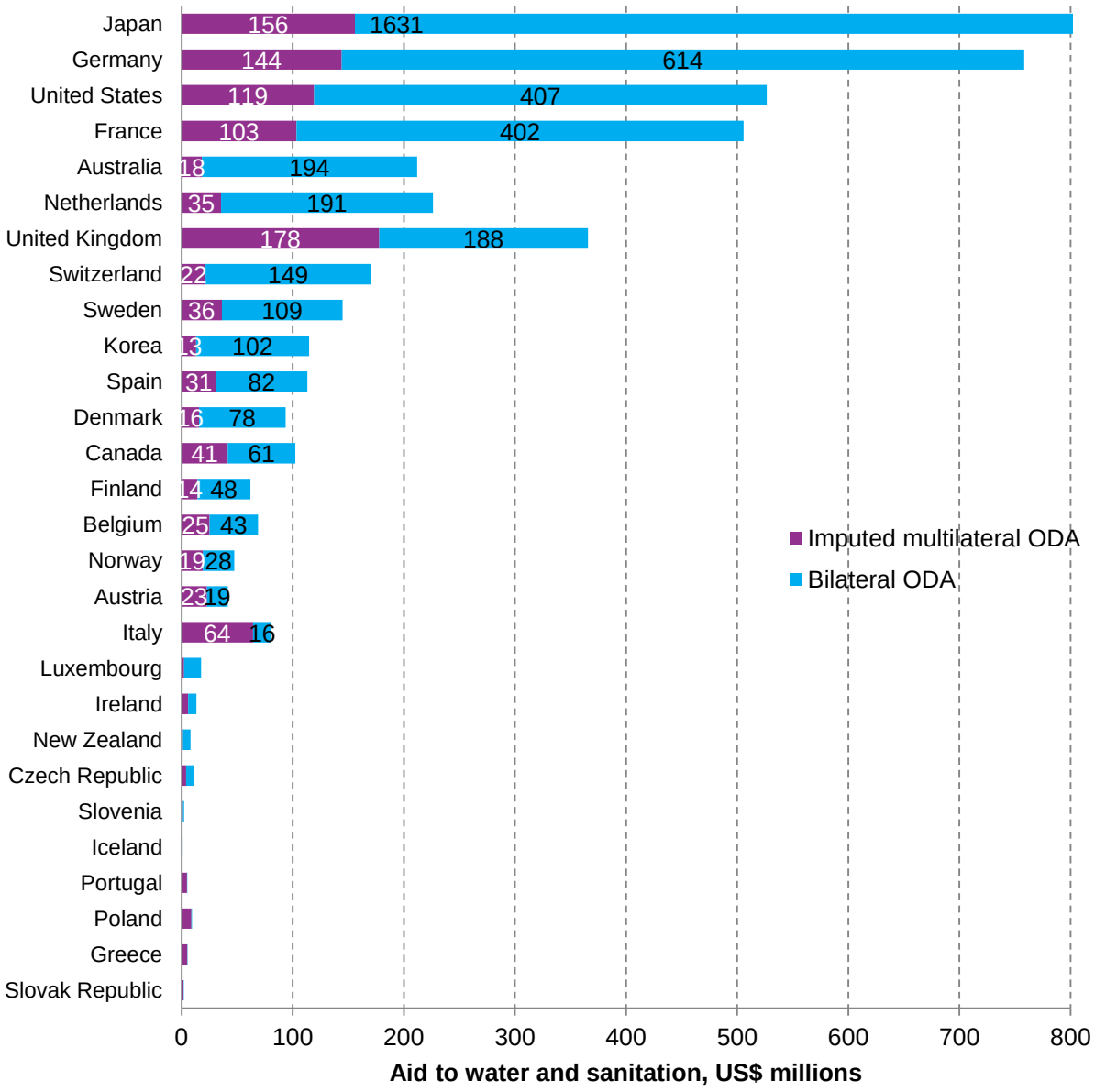
Source: OECD CRS

5.3.2 Largest bilateral donors: Japan remains the largest donor

The largest bilateral donor to water and sanitation is Japan, providing an annual US$1.6 billion in aid to sanitation on average over 2011–2013, or 9.6% of its total aid on average. Japan provided over US$1 billion more than the second largest bilateral donor, Germany. Germany provided US$614 million on average annually over 2011–2013, or 3.5% of its total aid. The United States and France each provided around US$400 million. Remaining donors provided less than US$200 million, with six donors providing between US$100 million and US$200 million.

Adding imputed multilateral ODA allows contributions to the water and sanitation sector that donors make through multilateral institutions to be counted. When taking into account both the bilateral and imputed multilateral aid, Japan remains the largest donor to the sector. The UK makes the largest multilateral ODA contribution to the water and sanitation sector at US$178 million.

Figure 5.4. Bilateral and imputed multilateral ODA disbursements to water and sanitation, US$ millions, 3 year annual average 2011–2013

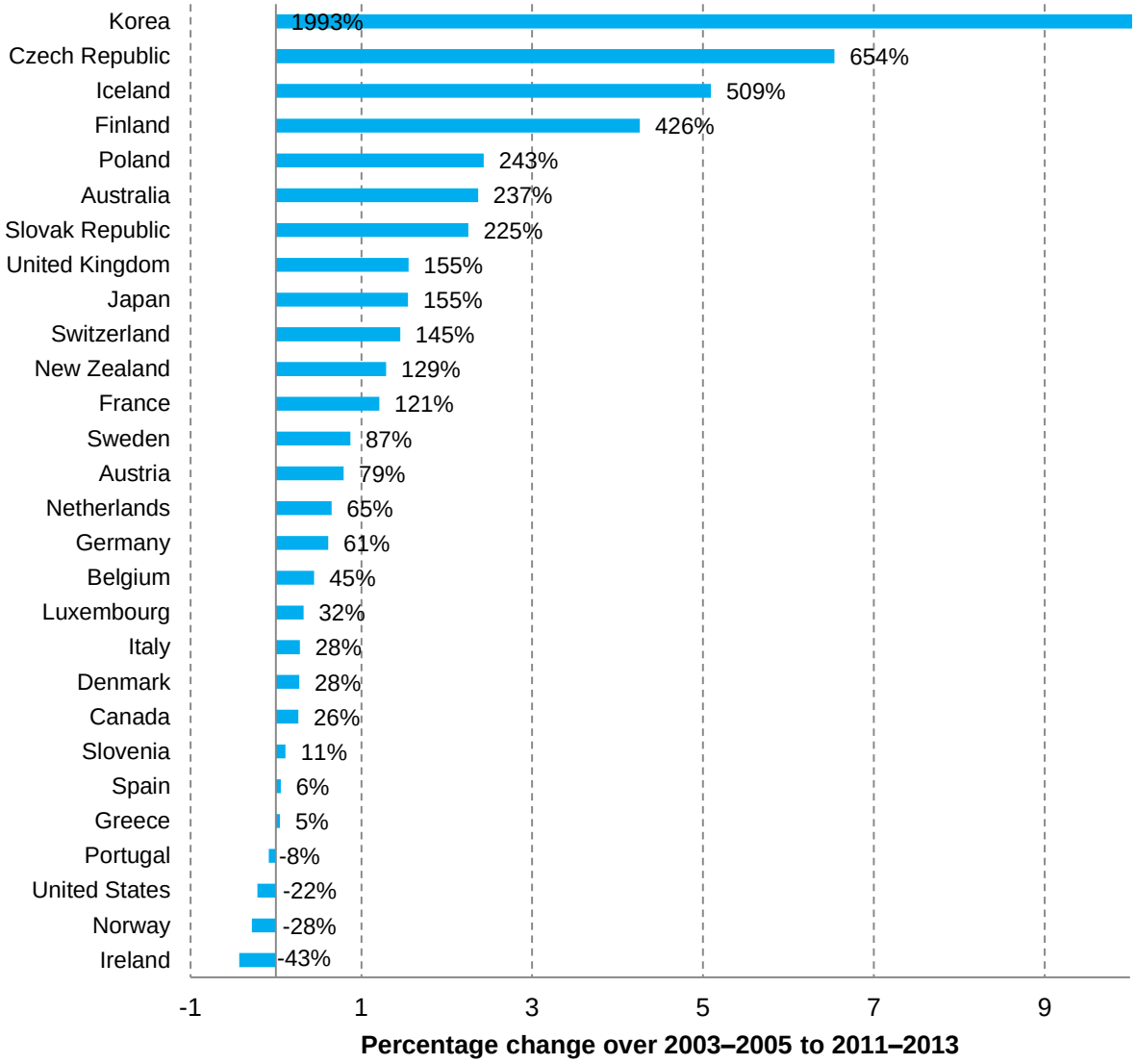


Source: OECD CRS

Considering changes in aid allocation to the sector, Korea increased its aid the most in terms of volumes, based on comparing the 2003–2005 average annual volume and 2011–2013 average annual volume.[47] Korea's aid experienced a 20-fold increase, but started from a low volume of US$5 million annually on average over 2003–2005. Six other donors have more than doubled their aid to water and sanitation, and these are mainly small donors. Japan increased its aid by 155%, while Germany did by 61%. Four donors decreased their aid to the sector: Portugal, the US, Norway and Ireland.

[47] "Korea" here refers to South Korea, in line with country names used by the OECD DAC.

Figure 5.5. Change between 2003–2005 and 2011–2013, based on aid volumes to water and sanitation, 3 year annual averages[48]



Source: OECD CRS

5.3.3 Recipients of bilateral aid: India receives the most aid, Denmark and the UK well target priority countries

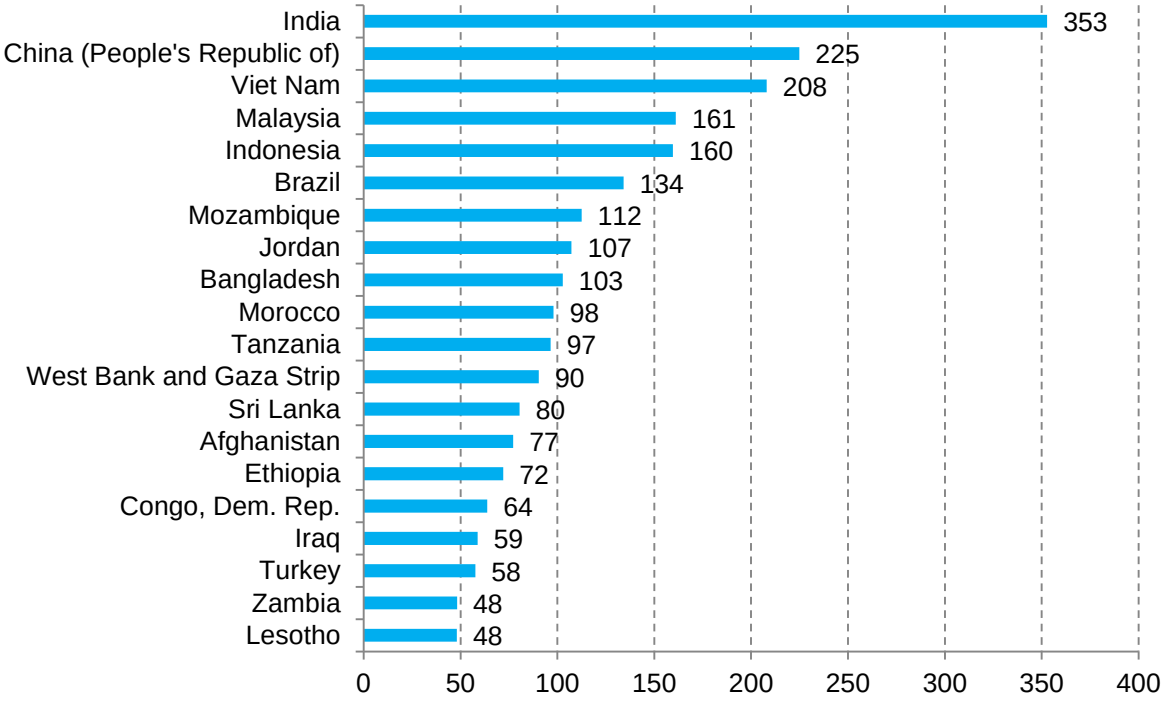
This section looks at bilateral ODA only, excluding imputed multilateral contributions (see Section 5.4.3 for recipients of aid to water and sanitation disbursed multilaterally).

The largest recipient of bilateral ODA over 2011–2013 was India, which received US$353 million. The next four largest recipients are all in Far East Asia: China, Viet

[48] In the case of Slovenia, the years compared are 2008–2010 average and 2011–2013 average, as Slovenia only started providing aid in 2008.

Nam, Malaysia and Indonesia. Only six sub-Saharan African countries are among the 20 largest recipients of bilateral aid to water and sanitation.

Figure 5.6. 20 largest recipients of bilateral ODA from DAC and non-DAC donor countries, 2011–2013 average ODA disbursements, US$ millions

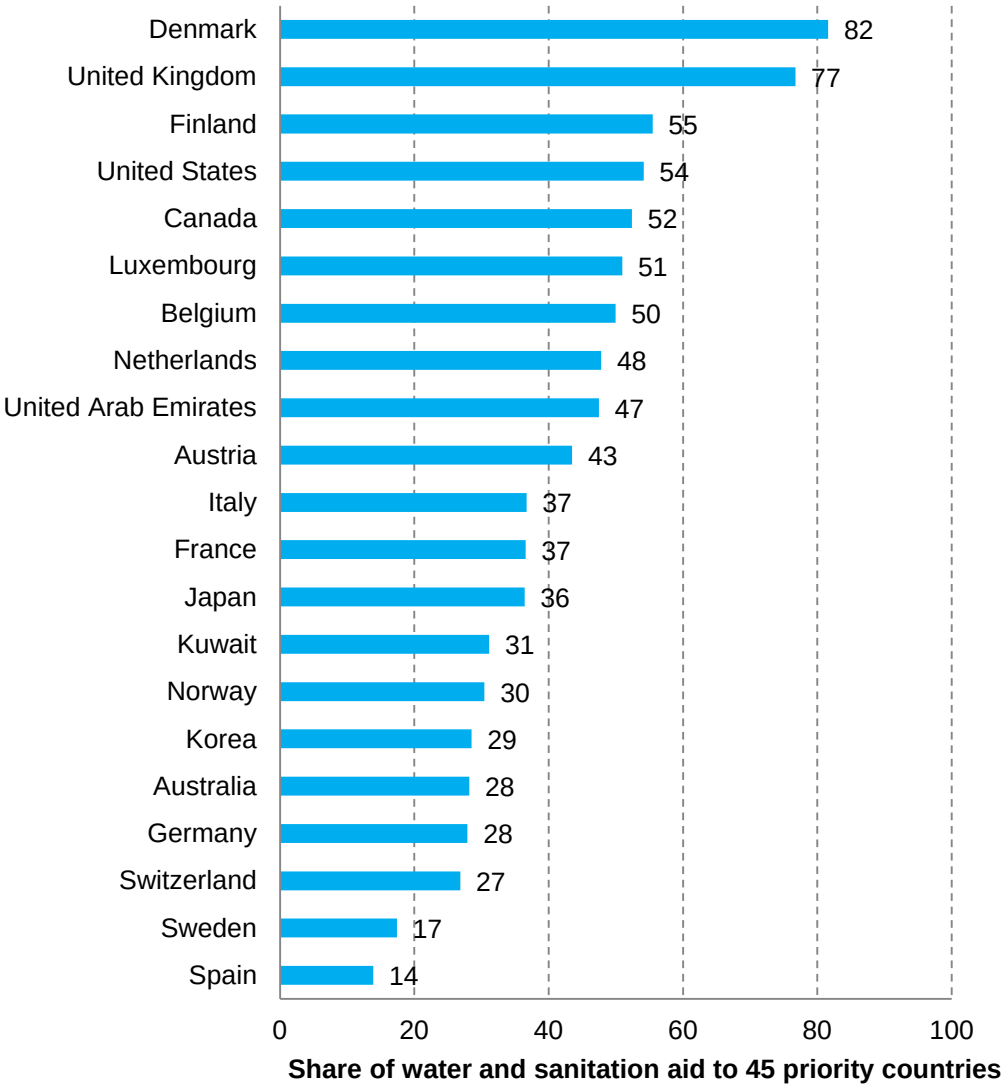


Source: OECD CRS

While some donors seem to target priority countries, the largest donors to the water and sanitation sector provide less than half their aid to these countries. The largest bilateral donor to the sector overall, Japan, provided 36% of its aid to priority countries, while the second largest, Germany, provided 28%. Among bilateral donors, Denmark and the United Kingdom both provide over three-quarters of their aid to the sector to the 45 priority countries (82% and 77% respectively). Three other donors – Luxembourg, Canada and the United States – provide just over half of their aid to the priority countries. The remaining 15 bilateral donors to the sector provide more than half of their aid to countries not identified as priority in this study.

Donors' aid may still be addressing needs in water and sanitation in other countries, as donors may use different criteria for identifying need and targeting their aid than used in this study. While this study aims to identify a group of countries with the most extreme needs in water and sanitation, and low capacity to respond to these needs, other countries also present challenges in access to water and sanitation.

Figure 5.7. Share of DAC bilateral donors' water and sanitation aid going to 45 priority countries, 2011–2013 average



Source: OECD CRS

5.4 Multilateral donors

5.4.1 Multilateral aid is rapidly increasing

Multilateral ODA to water and sanitation experienced a strong increase over a 10-year period. Total multilateral ODA to the sector reached US$2,062 in 2011–2013 (3-year average), a 151% increase from the 2003–2005 average.

5.4.2 Largest multilateral donors: the International Development Agency provides the largest volume of aid

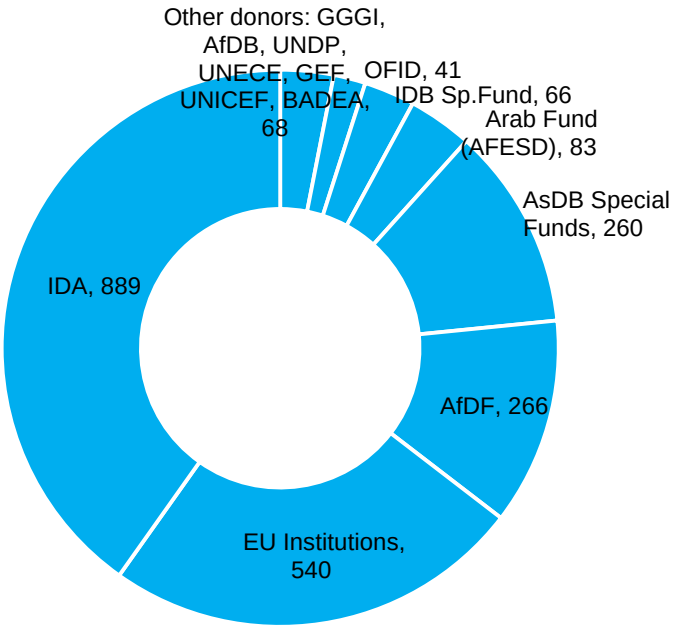
The largest multilateral donor to water and sanitation in 2013 was the IDA, followed by EU Institutions and the AfDF. IDA provided US$889 million to water and sanitation, or 7.2% of its ODA. The EU provided US$540 million, or 3.3% of its ODA and was the largest multilateral donor in 2013. The AfDF provided US$266 to the sector, or 11.7% of its ODA. The Asian Development Bank Special Funds (AsDB Special Funds) provided nearly as much in 2013, at US$260 or 9.7% of its ODA. These figures for 2013 are in line with agencies' average spending across 2011–2013 in water and sanitation, showing stable levels of spending and commitment to water and sanitation.

IDA increased its ODA to water and sanitation by 29% over 2003–2005 to 2011–2013. **EU Institutions** increased ODA to the sector by an impressive 307% over the same period, and the AfDF by 409%. A number of the largest donors in 2011–2013 did not report any aid to the sector in 2003–2005, including AsDB Special Funds, IDB Special Funds, the Arab Fund, OFID and the Arab Bank for Economic Development in Africa (BADEA).

UNICEF, which ranked as the fourth largest multilateral donor to the sector in 2003–2005, fell to the 8th largest multilateral donor rank in 2011–2013 as its aid to water and sanitation decreased by 1% over 2003–2005 to 2011–2013 (3 year annual averages). UNDP, ranked as the fifth largest donor to the sector in 2003–2005, fell to the 11th largest donor in 2011–2013 though its aid to water and sanitation increased by 85%.

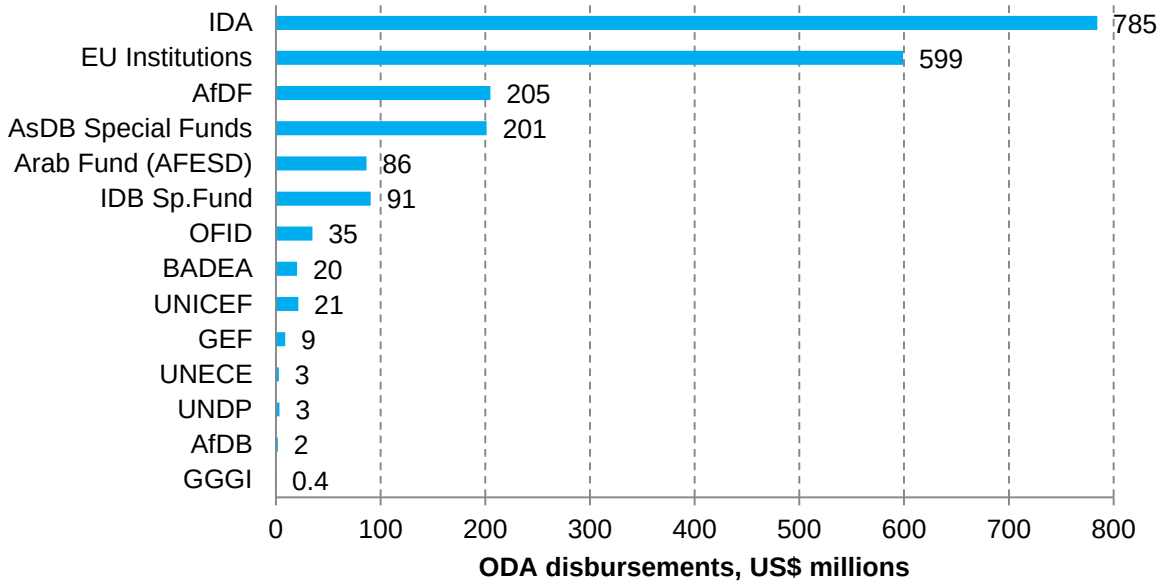
Smaller agencies provided the most to water and sanitation relative to their total ODA spending. These include the UN Economic Commission for Europe (UNECE) and BADEA, which spent 24.7% and 18.9% respectively of total ODA on water and sanitation. In 2013, 18 multilateral agencies reported no spending on water and sanitation.

Figure 5.8. Multilateral donors' contribution to water and sanitation, 2013, gross ODA disbursements, US$ millions



Source: OECD CRS

Figure 5.9. Largest multilateral donors to water and sanitation, 2011–2013 average, gross aid disbursements, US$ millions

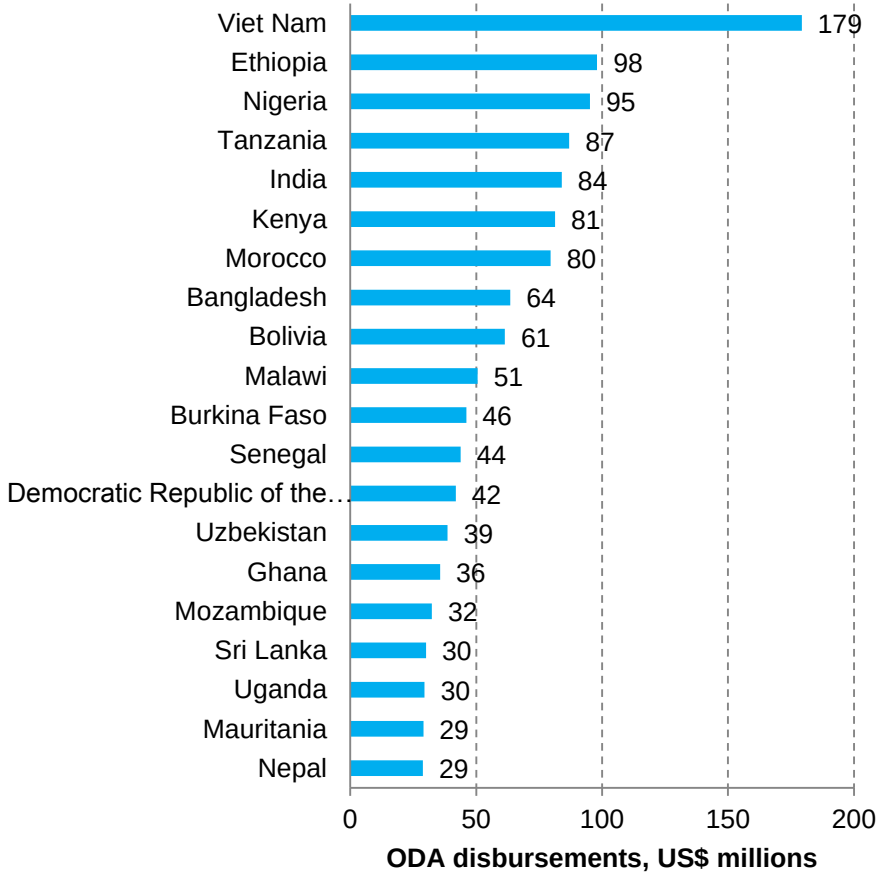


Source: OECD CRS

5.4.3 Recipients of multilateral aid: Viet Nam receives the most; the African Development Fund targets priority countries

The largest recipient of multilateral aid to water and sanitation was Viet Nam in 2013, in line with the 3 year-average over 2011–2013. It received US$179 million for water and sanitation on average over 2011–2013, compared with US$98 million received by the second largest recipient, Ethiopia. Nigeria and Tanzania were the third and fourth largest recipients of multilateral aid over the same period, although neither were among the largest 20 recipients of bilateral aid.

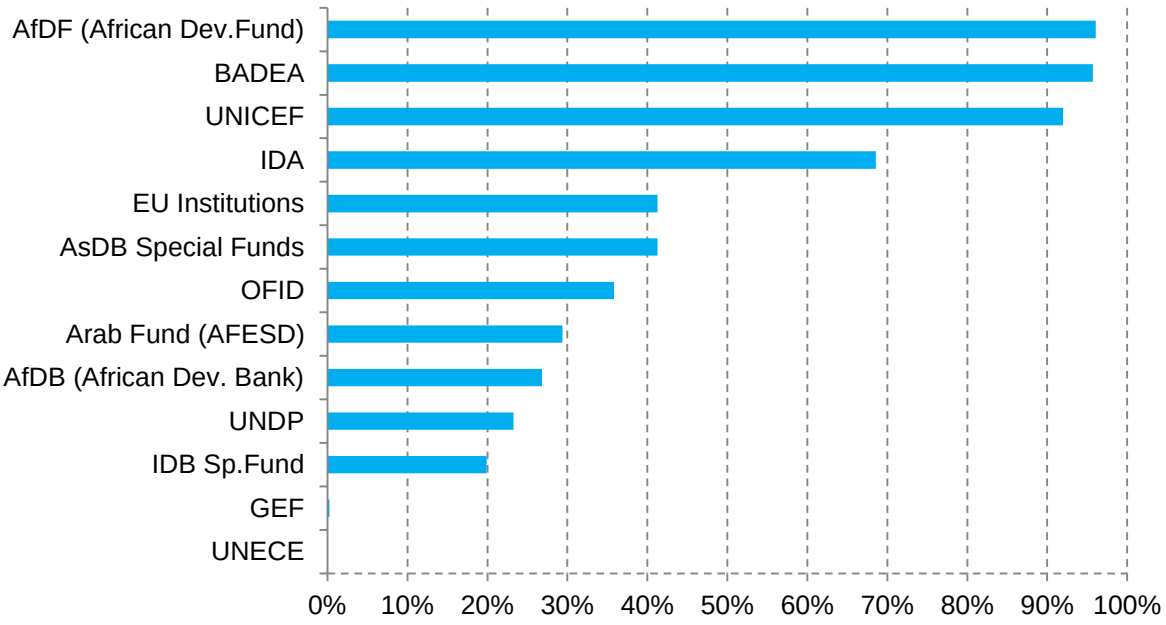
Figure 5.10. Largest 20 multilateral recipients of water and sanitation aid, 2011–2013 average, gross ODA disbursements, US$ millions



Source: OECD CRS

On average, 40.7% of multilateral aid to the sector goes to priority countries. Among multilateral donors, three agencies – the African Development Fund, the Arab Bank for Economic Development in Africa (BADEA) and Unicef – target more than 90% of their aid to the sector to priority countries. The largest donors to the sector, IDA and the EU, provided 69% and 41% respectively of their aid to priority countries.

Figure 5.11. Share of multilateral donors' water and sanitation aid going to 45 priority countries, 2011–2013 average



Source: OECD CRS

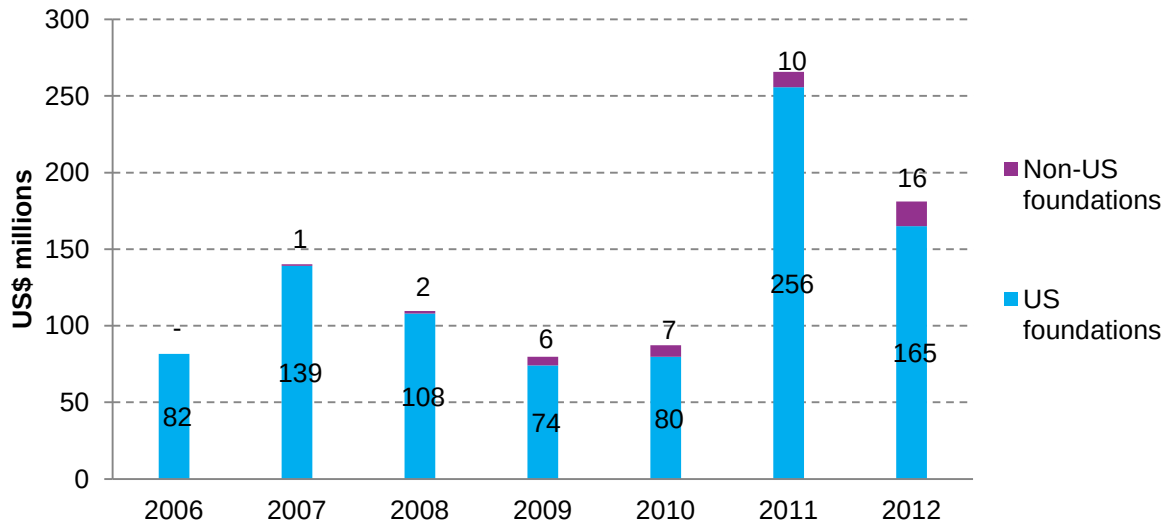
5.5 Foundation giving to the sector is increasing

Data on private spending in water and sanitation is collected and provided through Washfunders, an initiative of the Foundation Center to provide data on philanthropic and other funding the sector. The Foundation Center's datasets includes all grants of US$10,000 or more awarded to organisations by more than 1,000 of the largest US foundations.

The most complete dataset on international philanthropic funding to water and sanitation from Washfunders is for 2012. Data is estimated to represent half of all US foundation giving, and includes some additional sporadic data for 31 non-US foundations. An estimate of coverage is not available at this time due to a lack of data on the overall size of the sector. Data is collected by the Foundation Center using foundations' 990 forms.

In 2012, the latest year for which a complete dataset is available, funds approved from foundations reached US$181 million, delivered through 340 projects. This includes US$165 million from US foundations, and US$16 million from non-US foundations. In 2011, the total value of foundation support to water and sanitation reached a peak of US$263 million.

Figure 5.12. Foundations' giving to water and sanitation, 2006–2012, grant value approved in US$ millions per year



Source: Washfunders / Foundation Center

A total of 106 foundations approved water and sanitation grants in 2012. The largest donor in 2012, by far, was the Bill & Melinda Gates Foundation. It provided over US$100 million more to the sector than did the second largest, the Coca-Cola Foundation, which provided US$15 million. Foundations' total assistance is dominated by large-scale foundations, with the 10 largest providing 93% of all assistance in 2012.

The Bill & Melinda Gates Foundation began reporting its spending to the OECD DAC CRS in 2003. The Foundation's spending on water and sanitation reached US$72.7 million in 2013, which would make it the 18th largest donor to the sector if it were an ODA provider. The CRS shows that the Bill & Melinda Gates Foundation have increased their spending on the sector from US$56.6 million in 2009, a 28.4% increase over a 5-year period. CRS and Washfunders' figures on the Foundation's spending differ due to different calculation methods.

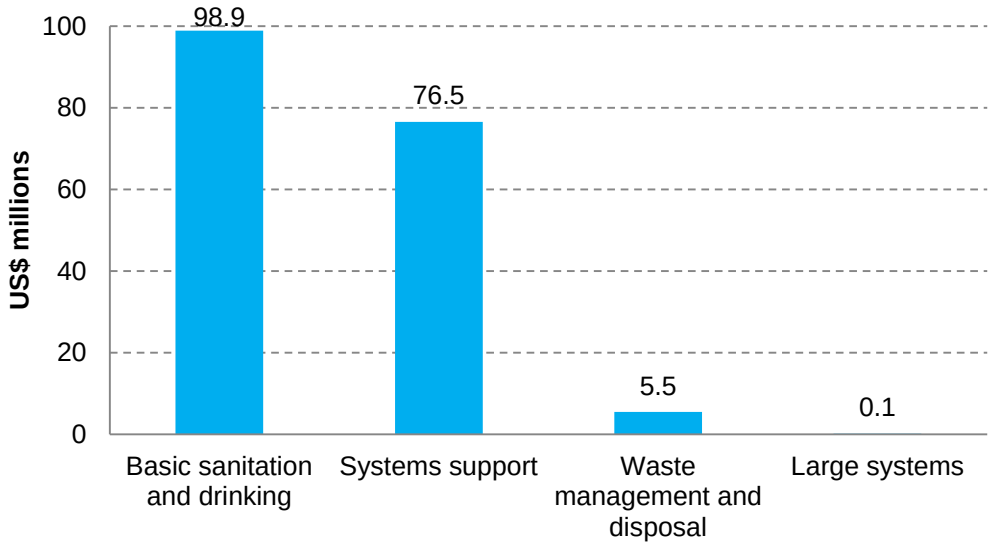
Table 7. Largest foundation donors to water and sanitation, 2012

Largest 10 foundations	Total value of projects, US$ millions	Number of projects	Share of total foundation giving value for 2012
Bill & Melinda Gates Foundation	119	74	66.0%
The Coca-Cola Foundation, Inc.	15	30	8.5%
The Stone Family Foundation	11	11	6.1%
The PepsiCo Foundation, Inc.	6	3	3.0%
Google.org	5	1	2.8%
Comic Relief UK	3	3	1.7%
The Rockefeller Foundation	3	10	1.5%
Caterpillar Foundation	2	5	1.1%
Conrad N. Hilton Foundation	2	2	1.0%
W. K. Kellogg Foundation	2	9	1.0%
96 other foundations	13	192	7.3%
Total for 10 foundations	**168**	**148**	**93%**

Source: Washfunders / Foundation Center

Data on sub-sectors indicates that foundation grants are more oriented to basic services rather than to large systems. Approximately 55% of foundation grants in the sector went to basic sanitation and drinking. Large systems received 0.1% of foundation grants, while systems support and waste management and disposal received 42.3% and 3% respectively.

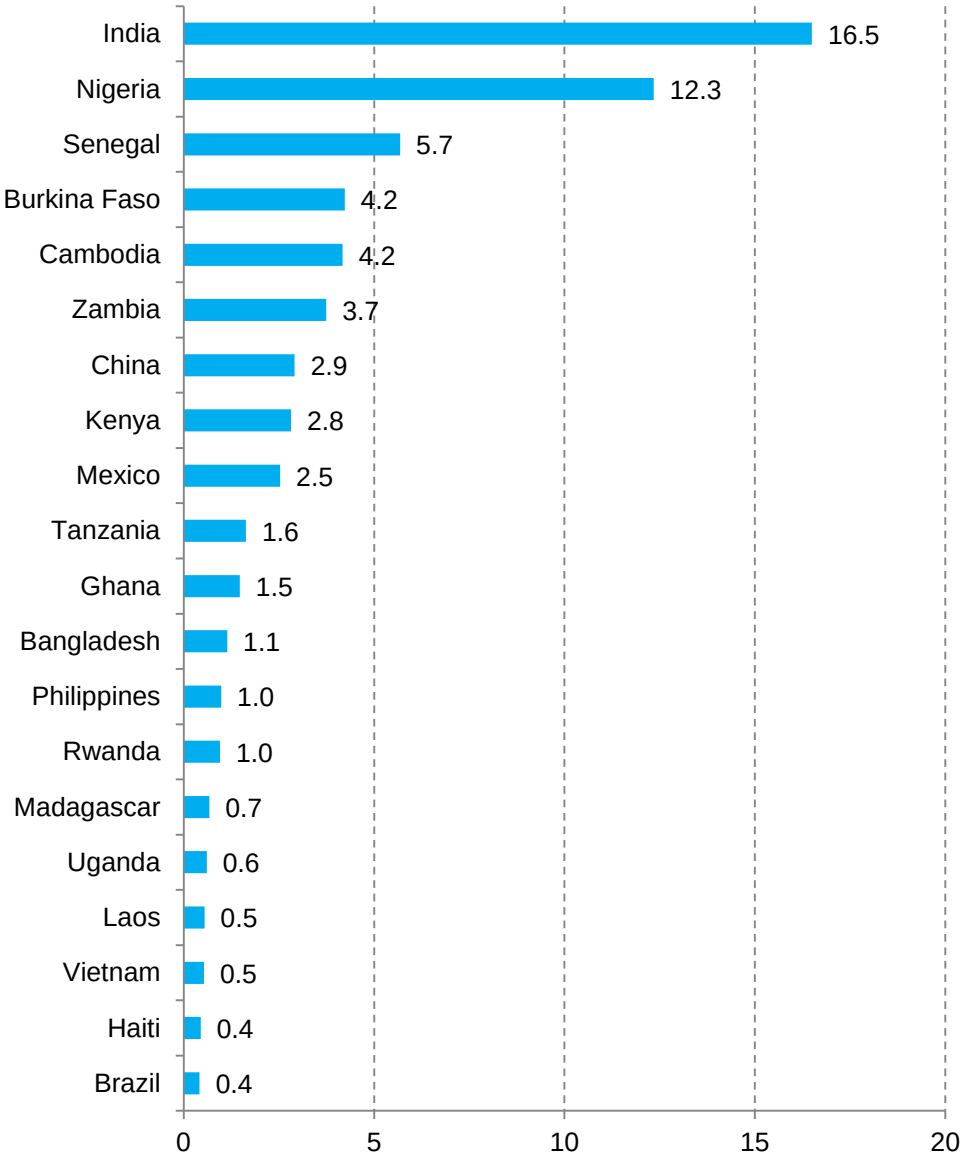
Figure 5.13. Foundation grants to sub-sectors in water and sanitation, US$ millions, 2012



Source: Washfunders/ Foundation Center

In 2012, a total of 160 projects had recorded recipients in Washfunders, representing a total of US$67.3 million.[49] India, Nigeria and Senegal are recorded as receiving the highest amount of grants. A number of the largest recipient countries can be characterised as having a fast-growing economy, or being resource-rich, or relatively stable in terms of conflict. Therefore, even as foundation grants may be more directed to basic drinking and sanitation than aid, existing data indicates that it may not flow to the most vulnerable countries, such as LDCs.

Figure 5.14. Foundation grants to 20 largest recipient countries in water and sanitation, US$ millions, 2012



Source: Washfunders / Foundation Center

[49] Excluding multi-country projects that did not specific the amount received by each country separately.

Part 6 What is aid made of?

6.1 Loans represent a growing share of aid to water and sanitation

Aid to water and sanitation is increasingly delivered as concessional loans. Aid is composed of both grants and loans that meet the concessionality criteria of the OECD DAC. The levels of concessionality of different ODA loans differ. Several elements affect the level of concessionality, including interest rate, which must be lower than the prevailing market rate, and the repayment period.

In December 2014, the OECD DAC decided to revise concessionality criteria to "modernise the reporting of concessional loans to make it easier to compare the effort involved with that in providing grants, by introducing a grant equivalent system for the purpose of calculating ODA figures."[50] The current method of valuing loans has been widely criticised as overstating the benefits of ODA loans, mainly along two lines of calculation:[51]

- The "grant element" represents the difference between the cost of the future repayments a borrower will have to make on an aid loan, compared with a non-concessional loan. Any loans with a grant element of more than 25% are included in the ODA figures in their entirety. This means that loans with low concessionality (just over 25%) are valued the same as highly concessional loans. The DAC has proposed that only the grant element of loans be counted as ODA.[52]
- The reference rate, a benchmark interest rate used in the calculation of the grant element of ODA loans is set at the artificially high level of 10%. The outcome of this is an inflated grant element to the extent that even loans at commercial interest rates could be counted as ODA. The DAC has proposed to replace the flat 10% reference rate with a range of rates, based on the International Monetary Fund's reference rate plus a 'risk premium' that depends on the status of the borrower.

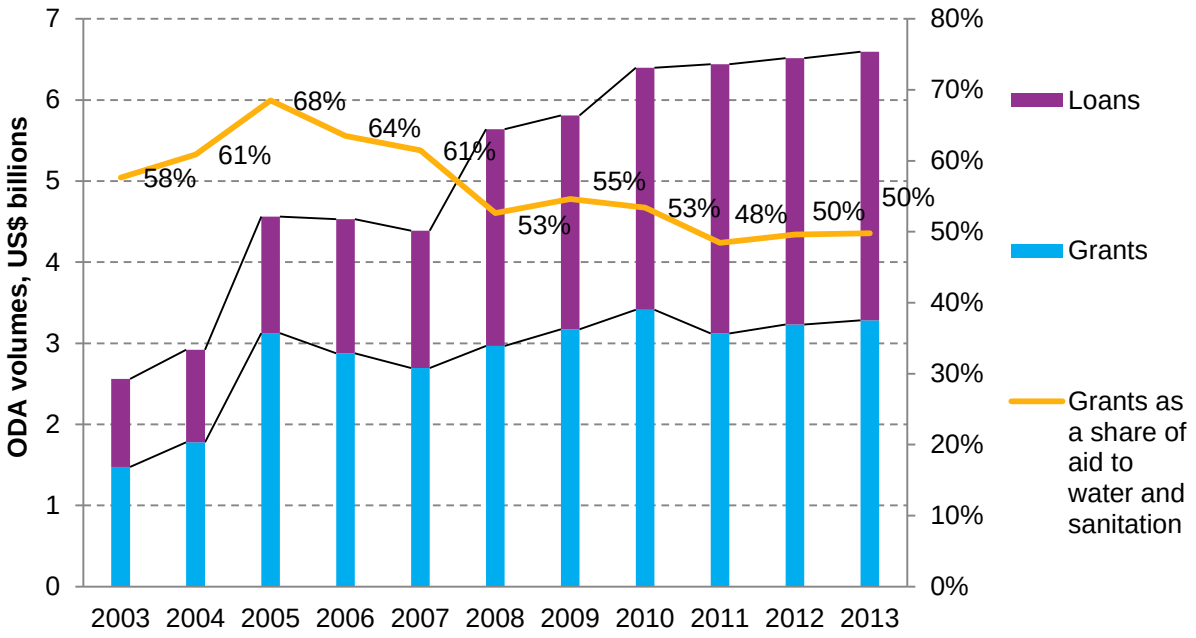
The new rules, which are due to come into effect in 2018, will lead to a change in reported levels of ODA. In the long run, reported ODA levels will be higher than they would be under the present system because loan repayments will not be 'netted off' of the headline ODA figures. In the short run, because only the grant element is counted, this may more than offset this effect and temporarily lead to ODA levels being lower than they would be under the present system. Donors can currently count lower-

[50] OECD DAC (2014)
[51] See Development Initiatives (2015a)
[52] The grant element is the standard way of measuring how concessional a loan is. It can be viewed as the difference between the cost, in today's prices, of the future repayments a borrower will have to make on the loan in question and the repayments the borrower would have had to make on a non-concessional loan. This is therefore the amount of money that is considered to have been 'given away' by the donor, hence the grant element. The grant element is normally shown as a percentage of the value of the loan.

concessionality loans to middle-income countries as ODA and this may also incentivise donors to expand their lending to these countries.

Grants have historically constituted the majority of aid. In 2013, only 49.8% of aid to water and sanitation was formed of grants, which marks the third year in a row where loans are half of aid to the sector. Loans increased by 205% over 2003–2013, mainly going to large system projects, compared with a 123% increase for grants over the same period.[53]

Figure 6.1. Aid grants and concessional loans to the water and sanitation sector, US$ billions 2003-2013 all donors



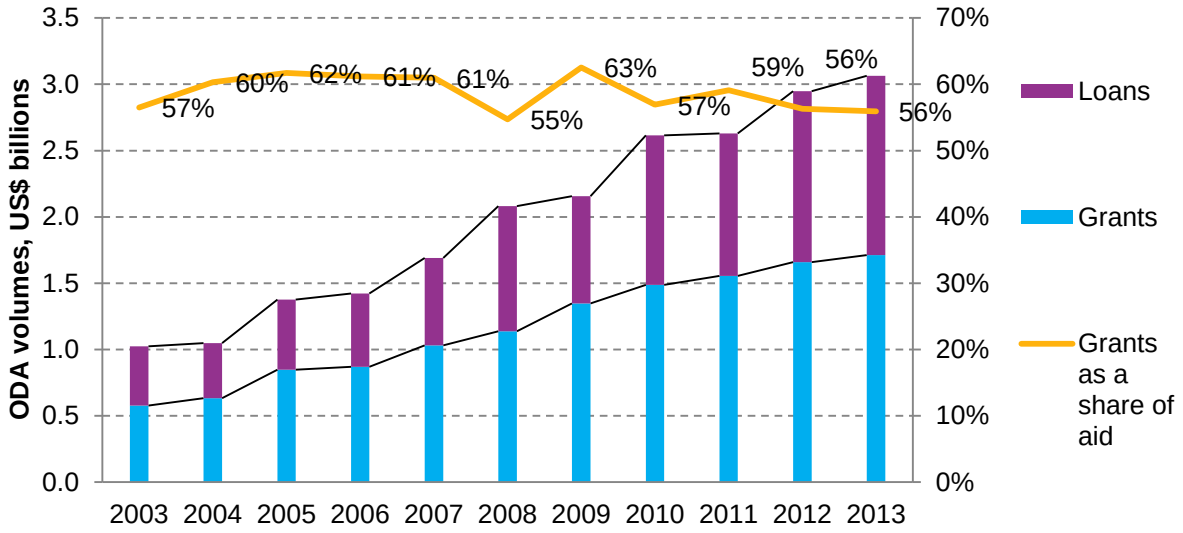
Source: OECD CRS

6.2 Grants form the largest share of aid to priority countries

Priority countries receive proportionally more aid as grants in the water and sanitation sector than do all countries. In 2013, 56% of aid to water and sanitation to 45 countries consisted of grants, compared with 50% for all countries. Over a 10-year period since 2003, loans and grants to priority countries have grown at similar rates of 203% and 196% respectively. Because loans must be repaid, grants can be seen as more appropriate for resource-constrained countries such as priority countries. However, the share of aid received as loans by priority countries has fluctuated. In 2009, 63% of water and sanitation aid to priority countries was composed of grants; however, this share has decreased in recent years.

[53] See Section 6.4.

Figure 6.2. Loans and grants in water and sanitation aid to 45 priority countries, from all donors

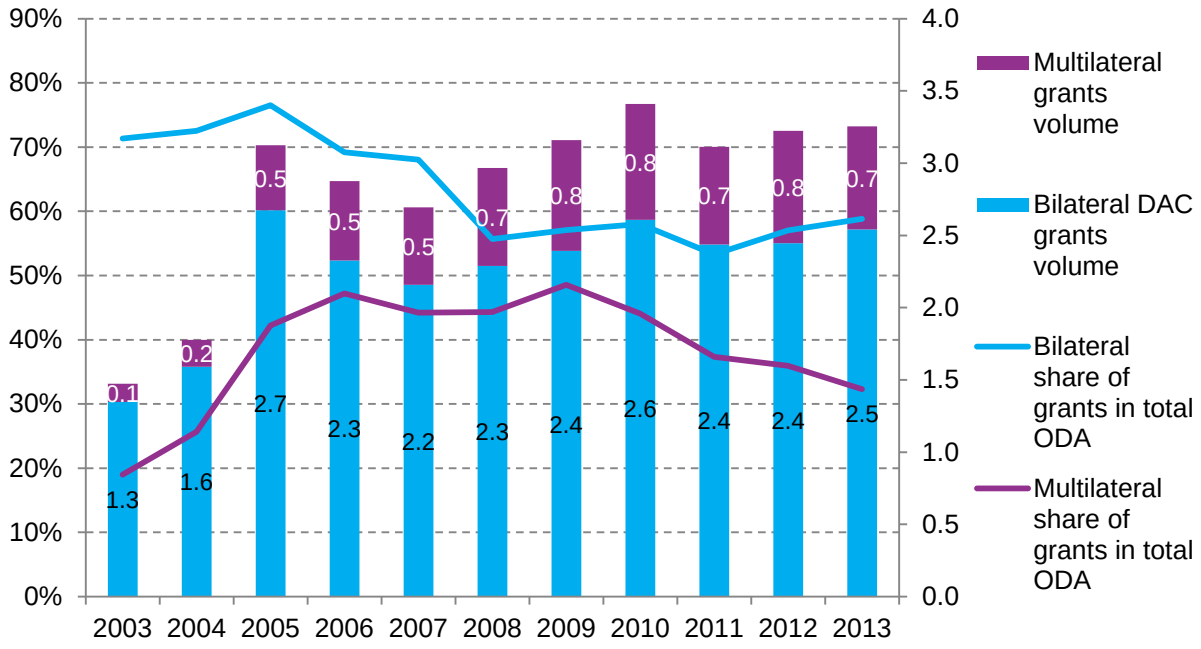


Source: OECD CRS

6.3 Multilateral donors drive aid loans increases

Multilateral donors mainly provide aid to the water and sanitation sector as loans, while DAC donors mainly provide aid as grants. In 2013, only 32% of multilateral aid to the sector was delivered as grants – the rest as loans. This follows a trend of a decreasing share of multilateral grants going to the sector, even as their volume have increased since 2003. Therefore, a key driver of growth in aid to the water and sanitation sector has been the increase in multilateral lending to large systems and policy support. Multilateral loans to large systems projects increased by 226% over 2003–2013, and multilateral loans to the policy and systems support area grew even faster – by 950%, albeit from a much lower base.

Figure 6.3. Aid grants volumes and share of total aid to water and sanitation by donor type, 2011–2013 average, percentages and volumes in US$ billions



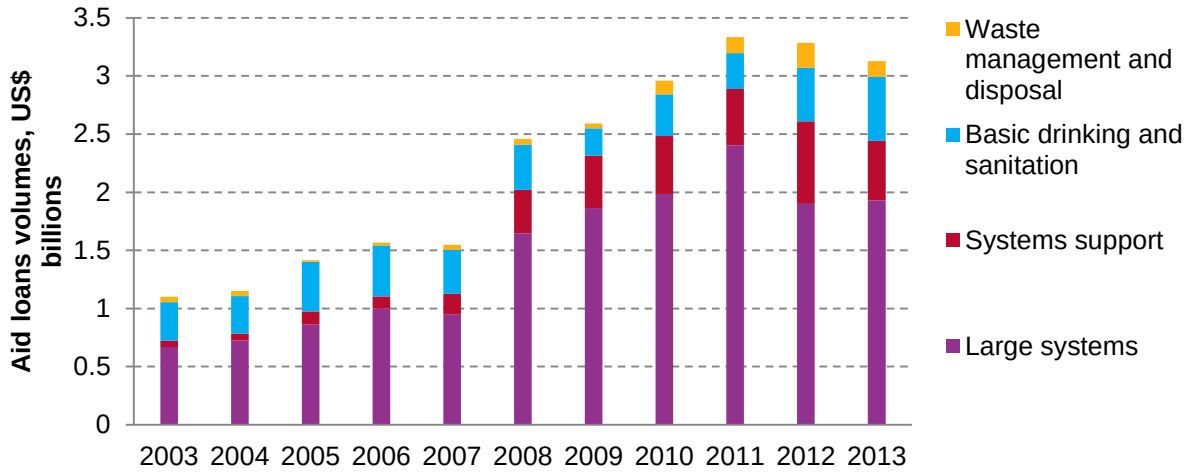
Source: OECD CRS

6.4 Grants and loans to sub-sectors: loans go to large-scale systems

Aid to large systems receives both the largest share of total aid and the largest share of loans. Over 2011–2013 on average, aid to large systems received almost two-thirds of all loans to the sector (64%).

Loans have grown in volume across all four sub-sectors, in line with the increase of overall aid to the sector. However, for basic drinking and sanitation, the growth has been minimal at 22% between 2003–2005 and 2011–2013, on average. Loans to systems support have grown fastest.

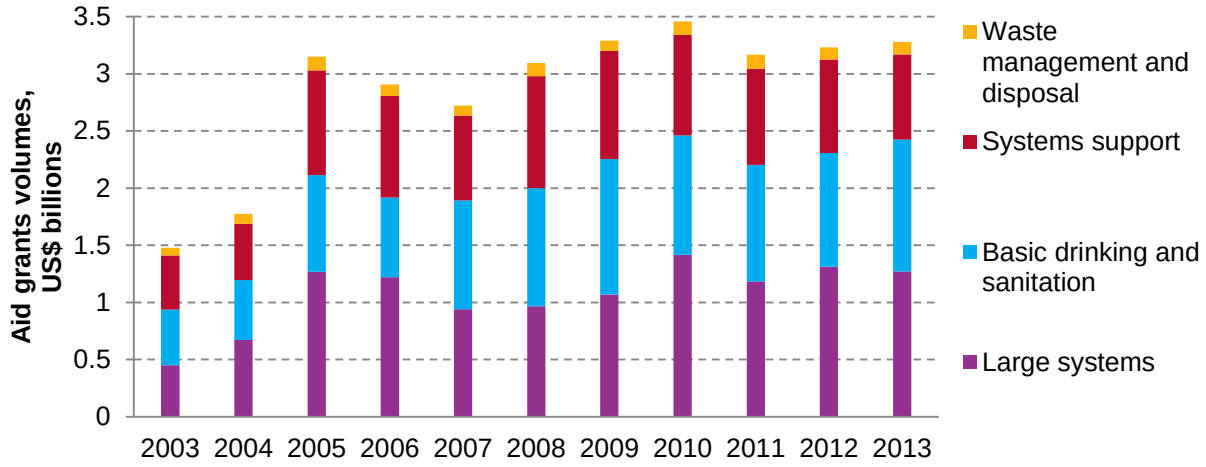
Figure 6.4. Aid loans to water and sanitation sub-sectors, 2003–2013, US$ billions



Source: OECD CRS

Basic drinking and sanitation receives a comparatively higher volume of aid grants than does overall aid to the sector. One third of all grants to the sector went to basic drinking and sanitation (33%) on average over 2011–2013, while it received less than a quarter (23%) of all aid to the sector. Large systems received 39% of grants over the same period, compared with 52% of all aid to the sector.

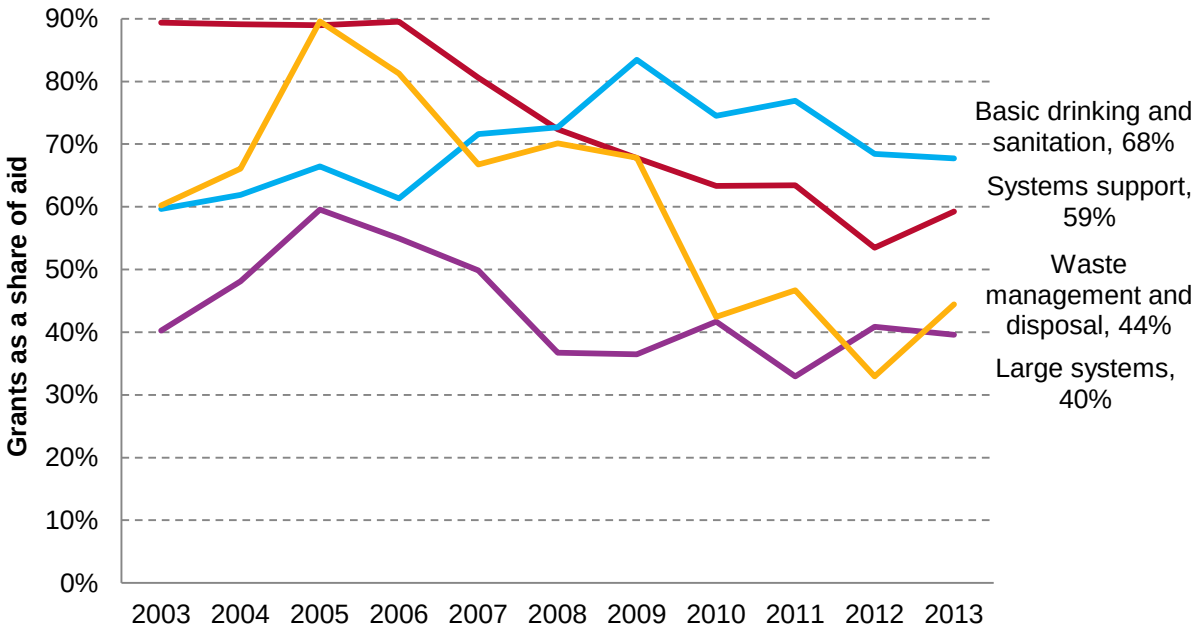
Figure 6.5. Aid grants to water and sanitation sub-sectors, 2003–2013, US$ billions



Source: OECD CRS

Looking at the share of aid each sub-sector receives as grants, there seems to be an increasing targeting of grants to basic projects. In 2013, 68% of aid to basic drinking and sanitation, and 40% of aid to large systems, came as grants. This contrasts with 2005 when basic drinking and sanitation and large systems received 66% and 60% of aid as grants, respectively.

Figure 6.6. Grants as share of aid for sub-sectors of water and sanitation



Source: OECD CRS

6.5 Water and sanitation receives a larger share of loans than other social sectors do

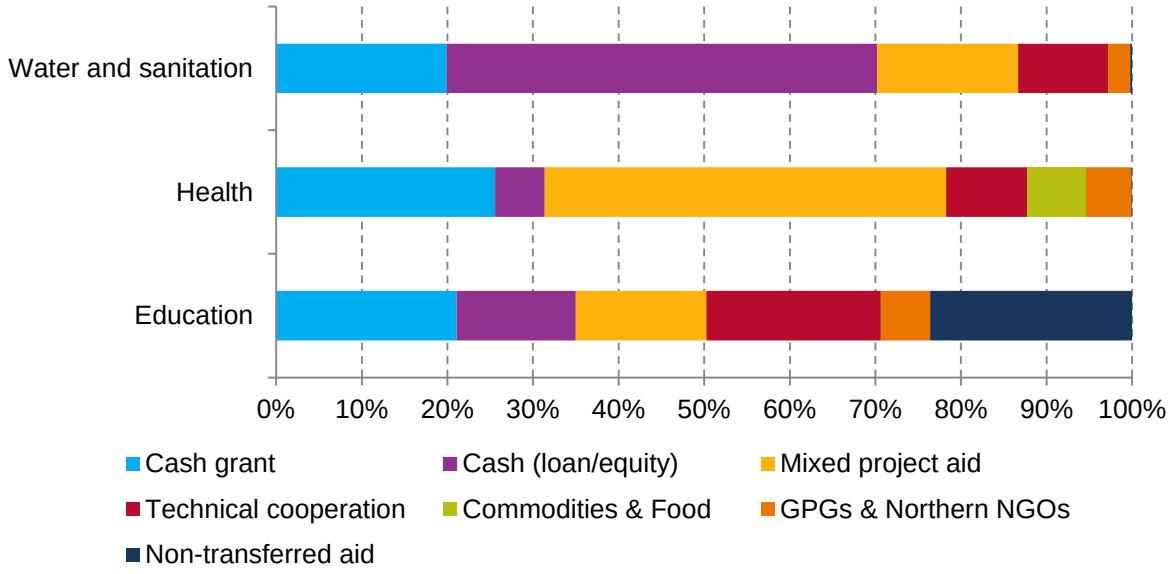
Compared with other social sectors, water and sanitation receives a very large share of loans, and a smaller share of cash grants. Aid can be further 'unbundled' into different elements beyond grants and loans to compare aid across sectors. Figure 6.7 shows that the aid bundle looks different across different social sectors. Half of aid to the water and sanitation sector comes as loans and equity. Compared with health and education, this is a high share of cash loans and equity. Conversely, cash grants represent only 20% of water and sanitation aid, compared with 26% for health and 21% for the education sectors.

Technical cooperation constituted only 10% of aid to the sector, compared with 9% for health and 20% for education. The value of technical cooperation can be overstated by donors if the assistance provided is not aligned to recipient country priorities.

Aid to global public goods (GPGs) and northern NGOs also constitutes a small share at 3%, compared with 6% for education and 5% for health. Aid for GPGs is spending where the benefits are shared worldwide (at least potentially), for example protecting international marine resources.[54]

[54] Mixed project aid is aid transferred to specific projects as a combination of cash and in-kind resources. Available data on aid in this category is not detailed enough to separate cash and in-kind elements. Non-transfer aid is aid which remains in the donor country, such as for example debt relief and students' costs. Therefore, it is expected to see more non-transferred aid in the education sector.

Figure 6.7. Aid bundle in 2013, water and sanitation compared with other sectors



Source: OECD CRS

Part 7 The quality and effectiveness of water and sanitation aid

7.1 The Paris, Accra, and Busan agreements: making aid more effective

Not all aid is of equal value to a recipient country. The most effective channels and modalities for delivering aid vary based on context. Considerations, for example, include whether strong national institutions exist that can oversee service delivery and effectively manage and use finance provided. To ensure that aid is being used in the most valuable way – maximising impact and meeting intended outcomes – its effectiveness needs to be monitored and assessed.

At a global level, aid effectiveness discussions have known four key milestone events: the Rome Declaration on Harmonisation in 2003, the Paris Declaration on Aid Effectiveness in 2005, the Accra Agenda for Action in 2008 and the Busan Partnership for Effective Development Cooperation in 2011. Each of the four associated high-level summits gathered key representatives from the aid donor and recipient communities to agree on principles and frameworks to drive forwards improvements in the effectiveness of ODA.

Following the Busan High Level Forum, the Global Partnership for Effective Development Cooperation was mandated to support regular monitoring of progress in implementing the commitments made on aid effectiveness. In 2014 the progress report *Making Development Cooperation More Effective* was published drawing on data voluntarily submitted by 46 countries, representing 46% of total aid programmed for developing countries annually. Data is captured for 6 of the 10 indicators of global

accountability developed at the Busan high-level meeting: use of country results frameworks; predictability; aid on budget; mutual accountability; gender equality; and use of country systems[55] (see Table 8 for the 10 indicators).

Key findings on overall aid from the 2014 progress report include:

- Country ownership is improving, but not sufficiently:
  - Globally, aid fell short of the Paris and Accra targets on strengthening and using country systems. The 2015 target was for 57% of funding to use country systems – but use of public financial management and procurement frameworks remained at its 2010 level, around 49%.
  - The target of 85% of aid reported on governments' budgets was not met. Despite some progress, only 64% of scheduled funding is reported.
- Inclusiveness is translating into stronger engagement of non-state actors.
- Transparency needs to be geared towards country needs. More progress is needed on transparency of aid, as the average aid provider publishes data annually that is 6 to 9 months old and gives information for 50% of common standard data fields. Moreover, 25% of providers do not publish any forward-looking information through systems of the common standard, eg IATI.

However, important challenges remain in improving the effectiveness of aid across sectors, and in driving the agenda forwards while balancing – on the one hand –diverse national monitoring priorities identified at the country level, with – on the other – globally-agreed monitoring areas and comparability imperatives. Improved data availability on all of the Busan indicators will be crucial to assessing and enhancing aid effectiveness. A second round of effectiveness monitoring is due to launch in late 2015, following the consultation stage in April 2015.[56] This should provide more data on improvements in aid effectiveness, including on indicators that were too early to assess in the first round, such as the use of country results frameworks.

Table 8. 10 indicators of global accountability from the Busan High Level Forum

1	Development cooperation is focused on results that meet developing countries' priorities: extent of use of country results frameworks by cooperation providers
2	Civil society operates within an environment which maximises its engagement in and contribution to develop: Enabling Environment Index for civil society
3	Engagement and contribution of the private sector to development: measure of the quality of public-private dialogue
4	Transparency: information on development cooperation is publicly available
5	Development cooperation is more predictable

[55] OECD and UNDP (2014)
[56] See Global Partnership for Effective Development Cooperation (2015) http://effectivecooperation.org/wordpress/2015/04/07/online-consultation-on-the-structure-and-process-of-the-2015-2016-global-partnership-monitoring/

	(a) Annual: proportion of aid disbursed compared to scheduled
	(b) Medium-term: proportion of aid covered by indicative forward plans
6	Aid is on budgets which are subject to parliamentary scrutiny
7	Mutual accountability among development actors is strengthened through inclusive reviews
8	Gender equality and women's empowerment: proportion of countries with systems that track and make public allocations for gender equality and women's empowerment
9	Effective institutions: developing countries' systems are strengthened and used
	(a) Quality of developing country public financial management systems
	(b) Use of country public financial management and procurement systems
10	Aid is untied: proportion of aid that is fully untied

Source: Global Partnership for Effective Development Cooperation[57]

7.2 Aid effectiveness in the water and sanitation sector: crucial data gaps

Enhancing the effectiveness of ODA in delivering outcomes is essential to ensure that this resource plays a catalytic role in promoting universal access to improved sanitation facilities and water sources.

Findings on aid effectiveness by sector are lacking for water and sanitation, leading to a crucial data gap. More comprehensive data is available for other sectors, including health via the International Health Partnership and education via the Global Partnership for Education.[58]

Current data sources on aid effectiveness in water and sanitation include specific country-level studies, responses to GLAAS 2014, and aid modality and channel data from the OECD DAC CRS.

In 2005, the Overseas Development Institute suggested that water may be lagging behind in aid effectiveness based on country studies in Bangladesh, Ethiopia and Uganda.[59] A 2014 report by ODI and WaterAid, *Progressing Aid Effectiveness in the Water and Sanitation Sector*, seeks to identify key indicators of effectiveness with strong relevance to water and sanitation aid through case studies of Ethiopia and Timor Leste and a study of aid effectiveness in other sectors. The report finds that **three principles are particularly relevant to the water and sanitation sector: ownership,**

[57] Global Partnership for Effective Development Cooperation (2014)
[58] See the International Health Partnership www.internationalhealthpartnership.net/en/ and the Global Education Partnership www.globalpartnership.org/focus-areas/aid-effectiveness
[59] ODI 2008

accountability and results.[60] While comprehensive data on these indicators are lacking, GLAAS 2014 provides data for three indicators related to effectiveness for the water and sanitation sector:

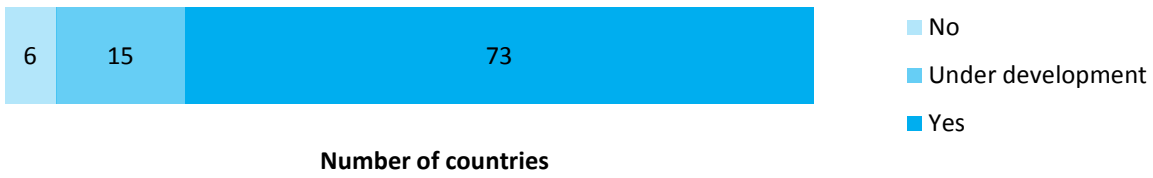
- Coordination between WASH actors: this indicator can be related to the principle of **ownership**
- Data available, analysed and used for resource allocation: this indicator can be related to the principle of **accountability**
- Existence and level of implementation of a government-defined financing plan/budget for the WASH sector that is published and agreed: this indicator can be related to a focus on **results**

7.2.1 Ownership, with harmonisation and alignment as an extension of ownership

National ownership and leadership of water and sanitation sector development is important to ensuring sustainable and effective service delivery. The high number of actors financing and delivering water and sanitation services has implications for sector ownership, coordination and monitoring. In water and sanitation, delivery is often managed and delivered across several line ministries, which poses challenges to ownership.

A proposed indicator of ownership is a formal coordination mechanism existing to oversee the water and sanitation sector.[61] GLAAS 2014 responses indicate that 73 countries out of 94 surveyed (78%) report that there is coordination at national level between WASH actors; of these 25 are priority countries. Among priority countries, Yemen reports having no coordination mechanism, and 7 countries report that the mechanism is under development: Central African Republic, Mozambique, Togo, Guinea, Benin, Senegal and Côte d'Ivoire.[62]

Figure 7.1. Number of countries reporting the existence of a coordination mechanism at national level between WASH actors



Source: WHO/UN-Water (2014) GLAAS

[60] Mason and Rabinowitz (2014)
[61] ODI and WaterAid (2014)
[62] Five priority countries, Malawi, Zambia, Comoros, Papua New Guinea and Somalia did not respond to the GLAAS survey on the coordination mechanism question.

Of the 73 countries with a coordination mechanism, 51 report having a formal coordination mechanism to oversee WASH activities, which is based on an agreed framework[63], involves government and non-government stakeholders, applies evidence-based decision-making and is documented. Clear institutional responsibilities and incentives are important to enhance effectiveness across the sector, as found by ODI and WaterAid (2014). Planning processes can help drive enhanced effectiveness in the sector, including coordination with donors. At the 2014 SWA High Level Meeting, nine donors made commitments focused on strengthening national planning processes, such as decentralisation.[64]

In addition to sector coordination, use of country systems is an important aspect of ownership. Sector-level data on use of country systems is lacking; however, country studies show that aid providers using project support rarely use developing countries' planning and budgeting systems other than sector plans and sector-wide approaches (SWAps). Furthermore, establishing the mechanics of a SWAp is just a first step to deliver increased aid effectiveness. Political leadership and institutional capacity play key roles in developing effectiveness.

ODI and WaterAid case studies find that donors promote their own priorities in Ethiopia and Timor Leste. Service delivery chains need to be aligned, not just high-level policy. Where full alignment is not possible, systems cannot be harmonised, including on procurement, technical assistance and reporting practices. In fragile contexts, shadow systems alignment is an option, where donors use systems that are compatible, but parallel, to those of the recipient country. In these cases, a focus on low-level entry points and political dialogue can be key to enhancing ownership over a long-term period.[65]

7.2.3 Accountability, with transparency as a fundamental pre-requisite

Mutual accountability between providers and recipients is a key principle of effective aid and an important technical tool of sustainable delivery. Mutual accountability, according to ODI and WaterAid, requires an arrangement to balance decision-making and follow-up, with transparency and participation. Incentives for mutual accountability and transparency can also be skewed in the water and sanitation sector, due to the strong role of private sector actors and community management or self-provision, alongside government and development partners' roles.

Proposed indicators to monitor the principle of accountability include participatory review cycles and country-level targets, for both donors and national governments. Around half of countries responding to GLAAS 2014 report having conducted a national assessment for drinking water and sanitation, ranging from

[63] Framework in this context refers to a sectoral framework or a national plan, according to GLAAS 2014.
[64] The donors are Australia, Bill & Melinda Gates Foundation, Finland, France, Germany, Sweden, Switzerland, The Netherlands and the US.
[65] See Welle (2008).

household surveys to a joint sector review, since 2012.[66] Among priority countries, 17 report having conducted a national assessment in 2013, and a further seven in 2012. The remaining 14 priority countries for which data is available conducted their latest assessment in 2011–2012 or before for either drinking water or sanitation. Angola, Yemen and Nigeria's latest assessments for both areas were in 2008 or 2009, and the Central African Republic's latest assessment for sanitation was in 2008, while its water sector was assessed in 2012.

However, different interpretations of what constitutes a sector review or assessment skew the quality of the responses, as there was less than 40% agreement between key informant analysis of findings and country responses. Therefore, the GLAAS report concludes that there is a need to further define what constitutes a sector review and establish the appropriate level of participation and accountability.

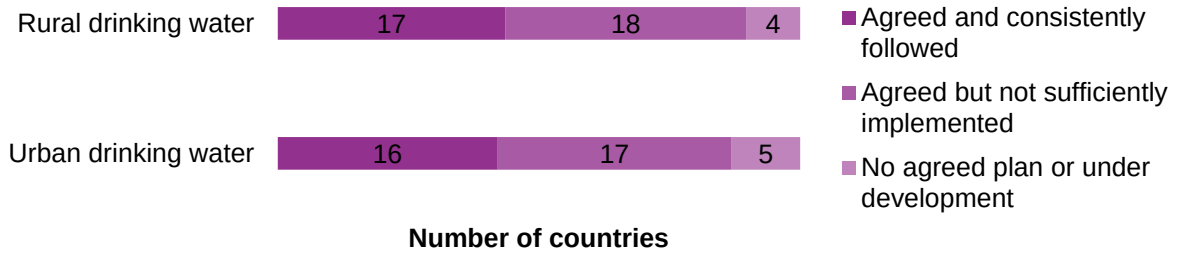
Effective delivery of aid relies on predictable resource flows; and providing information about donors' forward spending plans is particularly important for preparing national budget. Another proposed indicator for monitoring transparency is the share of aid for water and sanitation scheduled for disbursement that is recorded in annual budgets that are subject to parliamentary scrutiny.[67] Among external support agencies, 15 out of 23 surveyed report having a clear aid budget that is subject to parliamentary scrutiny.[68] This highlights the need for greater transparency and accountability among donors, which would enable national governments to plan how to allocate resources using aid information.

Agreed and published financing plans for water and sanitation access also indicate accountability in the sector. GLAAS 2014 provides data on the level of implementation of a government financing plan or budget that is published and agreed for drinking water (rural and urban), sanitation (rural and urban) and hygiene. Out of 93 countries surveyed by GLAAS, 40 priority countries provided responses, and 5 countries – Angola, Benin, Côte d'Ivoire, Mauritania, and Rwanda – have agreed plans and consistently follow those plans in all the sub-sectors.[69]

Most of the 93 respondent countries have agreed drinking water plans that are consistently followed. For priority countries, most have agreed plans that are not sufficiently implemented.

[66] See GLAAS 2014, Table 3.1
[67] ODI and WaterAid (2014)
[68] See GLAAS 2014, p.54
[69] Comoros, Malawi, Zambia, Somalia and Papua New Guinea are five priority countries that did not participate in the GLAAS 2014 country survey.

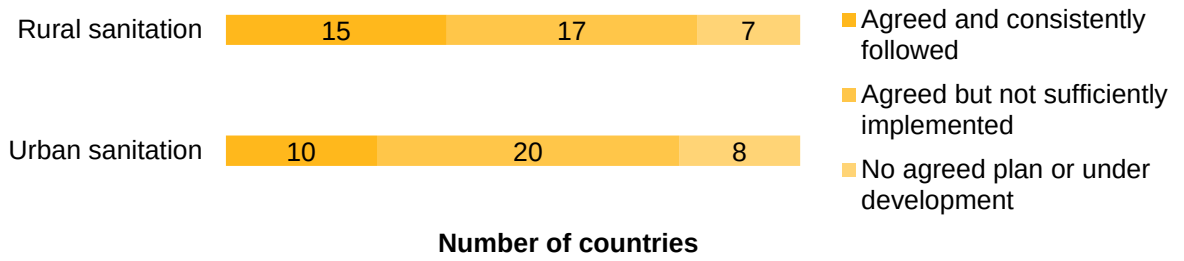
Figure 7.2. Number of priority countries reporting the existence and level of implementation of a government-defined financing plan/budget for drinking water that is published and agreed



Source: WHO/UN-Water (2014) GLAAS

In the area of sanitation, most priority countries have agreed sanitation plans that are not sufficiently implemented. More countries consistently follow plans for rural areas than for urban areas. For both rural and urban areas, around a fifth of all respondent priority countries do not have an existing agreed plan.

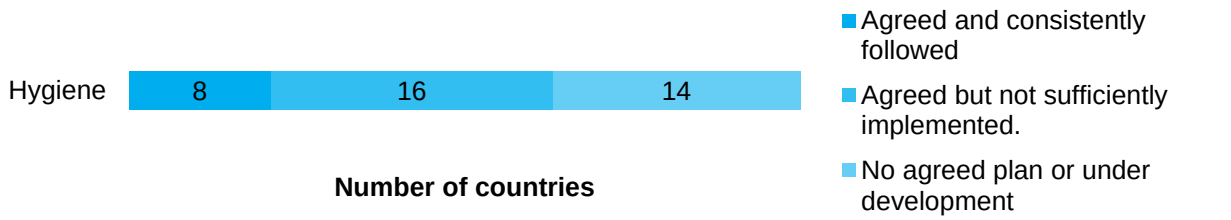
Figure 7.3 Number of priority countries reporting the existence and level of implementation of a government-defined financing plan/budget for sanitation that is published and agreed



Source: WHO/UN-Water (2014) GLAAS

More than a third of priority countries do not have agreed plans for hygiene (37%), reflecting overall patterns for all countries (35%). Among the countries with agreed hygiene plans, almost half do not sufficiently implement these (42%).

Figure 7.4 Number of priority countries reporting the existence and level of implementation of a government-defined financing plan/budget for hygiene that is published and agreed



Source: WHO/UN-Water (2014) GLAAS

7.2.2 Results

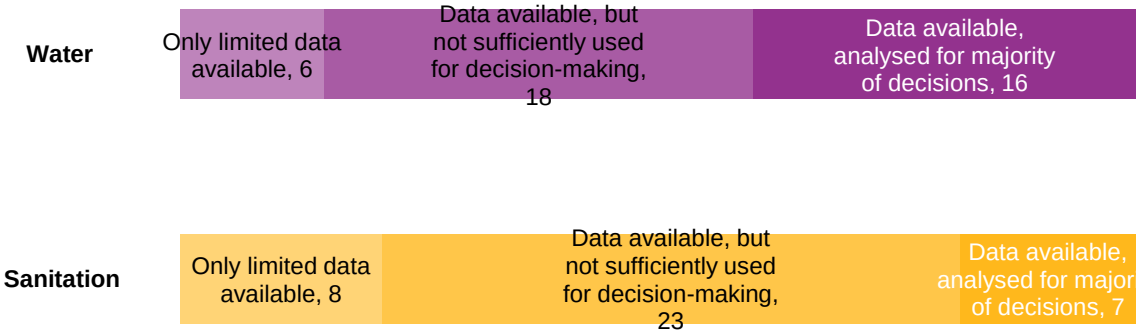
'Results' as an indicator of aid effectiveness that involves both focusing on results, and improving monitoring of and reporting on results. Results data on water and sanitation are largely lacking in a comparative form beyond the MDG monitoring data. This means key data gaps exist, particularly as relates to sustainability and equity of results. ODI and WaterAid find that overall, capacity development needs are enormous and represent a major bottleneck to delivering results in the water and sanitation sector. However, national systems for monitoring results are developing. According to OECD/UNDP 2014, experience indicates that the shift towards developing country-led monitoring is feasible. Country leadership needs to be matched by stronger engagement of providers at the country level, including through providing institutional support.

Indicators of effectiveness of all ODA show that improvements are needed in terms of focusing on results. According to GLAAS 2014, less than a quarter of all aid on average is aligned with country results frameworks. However, government perceptions on the alignment of aid to country results are much higher, at just over 40%.[70]

GLAAS 2014 results highlight that most sector decisions are not evidence-based because of the widespread lack of capacity for monitoring, inconsistent or fragmented gathering of data and limited use of information management systems and analysis.[71] GLAAS 2014 responses provide data on the share of sanitation and drinking water sectors that are informed by reliable information monitoring systems. Among priority countries, two-fifths report data being available, analysed and used for allocating resource on drinking water (40%), compared with almost half of all countries (48%). Less than a fifth (18%) report data being available, analysed and used for allocating resources on sanitation, compared with a third (31%) for all countries. This shows a strong need to improve the information base in both areas.

[70] See GLAAS 2014, p.32, Figure 2.1
[71] See GLAAS 2014, p.IX

Figure 7.5. Number of priority countries reporting data availability and use for resource allocation on water and sanitation



Source: WHO/UN-Water (2014) GLAAS

7.3 How water and sanitation aid is delivered

Analysing how water and sanitation aid is delivered is part of understanding the effectiveness of this aid, particularly as it relates to the principles of ownership, use of country systems, and capacity-building. The choice of aid modality, and how aid is delivered, will likely affect the effectiveness of the aid. This section looks at how aid is delivered both in the sector overall and to priority countries specifically.

7.3.1 Aid comes as project-type interventions

Overall, water and sanitation aid is delivered as project-type interventions. Other forms of aid are comparatively less common in the sector than in overall aid.

Aid to water and sanitation is mainly delivered as **project-type interventions**. These represented 84.8% of all ODA to water and sanitation in 2013, which is above the average for all sector allocable aid at 75%. Aid channelled through NGOs or multilaterals is also recorded here for payments for specific projects.[72] This form of aid appears to be stable, increasing by only 5% over 2010–2013.[73]

Core contributions and pooled programmes and funds represented 8.5% of aid to the sector, compared with 11% for overall aid. Under this category, the donor relinquishes the exclusive control of its funds by sharing responsibility with other stakeholders, eg other donors, NGOs, public–private partners, multilateral bodies and government ministries. This form of aid increased by 10% over 2010–2013.

Experts and technical assistance – providing know-how in the form of personnel, training and research – constituted 4.3% of all ODA to water and sanitation in 2013, in

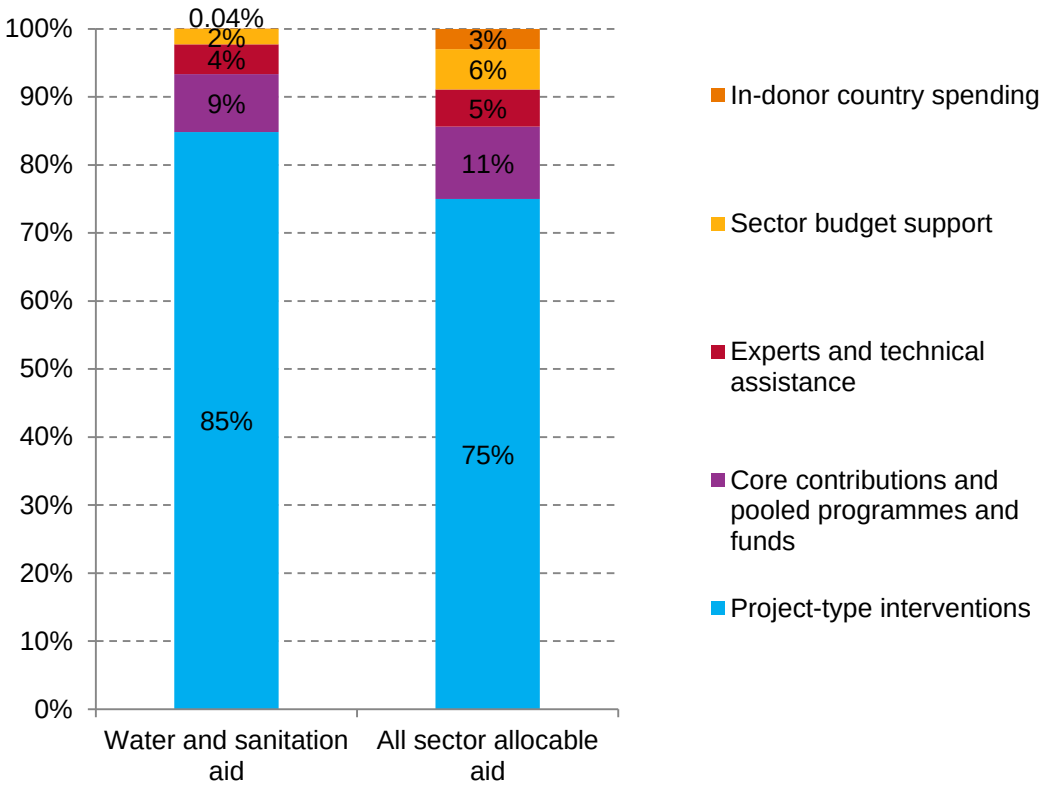
[72] See OECD DAC (2013)
[73] Due to the introduction of new aid type codes in 2009, comparable trends data only goes back to 2010.

line with the average across all sectors of 5%.[74] This form of aid has decreased by 23% over 2010–2013.

Sector budget support – a financial contribution to a recipient government's budget that focuses on sector-specific concerns –was 2.4% of ODA to water and sanitation in 2013. This is a relatively low share compared with other sectors, as overall 6% of all aid is spent as budget support. Further, sector budget support has decreased by 38% over 2010–2013.

In-donor country spending represented only 0.04% of ODA to water and sanitation in 2013. It includes student costs, development awareness and administrative costs not included elsewhere.

Figure 7.6. Aid to water and sanitation and sector allocable aid by modality, 2013



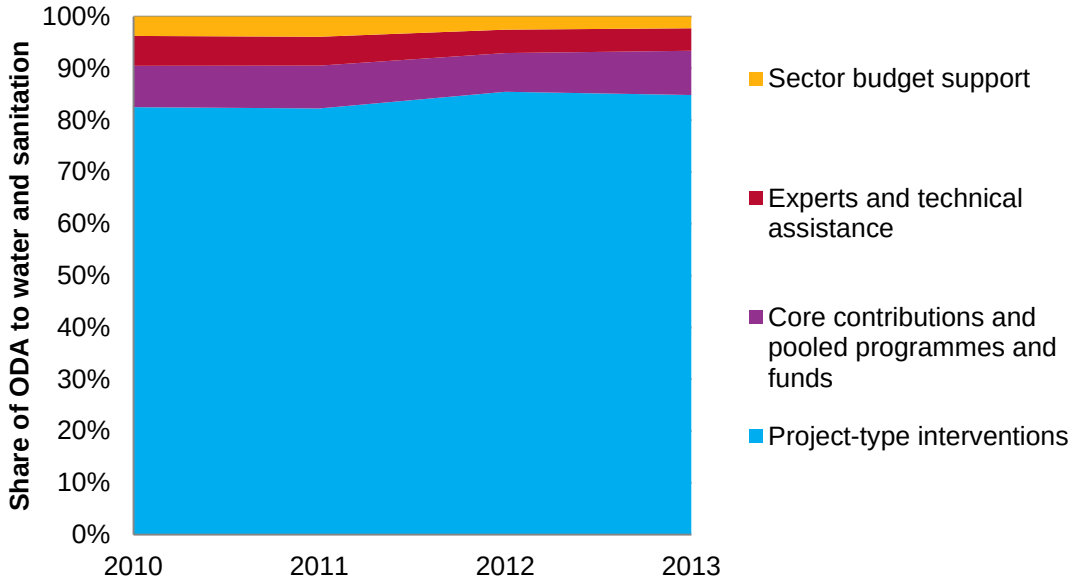
Source: OECD CRS

Priority countries receive a larger share of water and sanitation aid as project-type interventions than overall in the sector, and less aid as experts or technical assistance. Priority countries received 88% of aid to the sector in 2013, or US$2.7 billion, as project-type interventions. Aid delivered as budget support was only 1.7%, which is below the total share of budget support for all countries in the sector: 2.3% in 2013. Aid delivered as experts or core contributions and pooled programme funds were

[74] Adding projects marked by donors as "free-standing technical cooperation" in the project code, rather than the aid type code "experts and technical assistance", would yield a higher figure for total donor support as technical assistance.

also both lower, at 3% and 7%, respectively for the 45 countries, compared with 4% and 9% for all countries.

Figure 7.7. Aid to water and sanitation for 45 priority countries[75]



Source: OECD CRS

Project-type interventions are criticised for enabling donors to remain in full control of the funds, to have high transaction costs, and to undermine recipient countries' political and administrative systems. Budget support, on the other hand, makes full use of countries' political and administrative systems; however, it is seen as high risk, particularly due to potential corruption or misuse of funds. Experts and technical assistance can be seen as costly, yet if used for capacity development they can be seen to enhance country ownership and support the sustainability of aid investments. Results-based aid is proposed as a new way of creating incentives for aid to be spent in the most effective manner to deliver impact; however, there were no reported results-based aid projects in water and sanitation reported to the OECD DAC in 2013.[76]

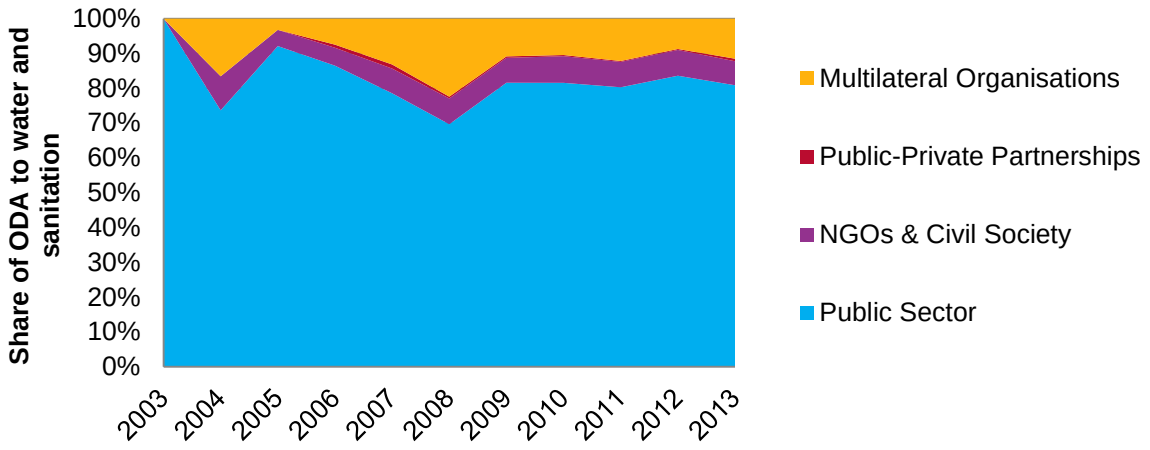
7.3.2 The public sector delivers the largest share of water and sanitation aid

In terms of channel of delivery, aid to water and sanitation is mainly delivered through the **public sector**, which delivered 72.5% in 2013. **Multilateral organisations** delivered 10.3% of aid to the sector in 2013. **Civil society and NGOs** only delivered 6.2% in 2013, and **public–private partnerships** delivered just 0.6%.

In 2013, a further 10.4% of aid to water and sanitation was classified as "undefined/other" for channel of delivery and does not appear on Figure 7.8.

[75] In-donor country spending is not represented on the chart due to small volumes.
[76] Leiderer (2012)

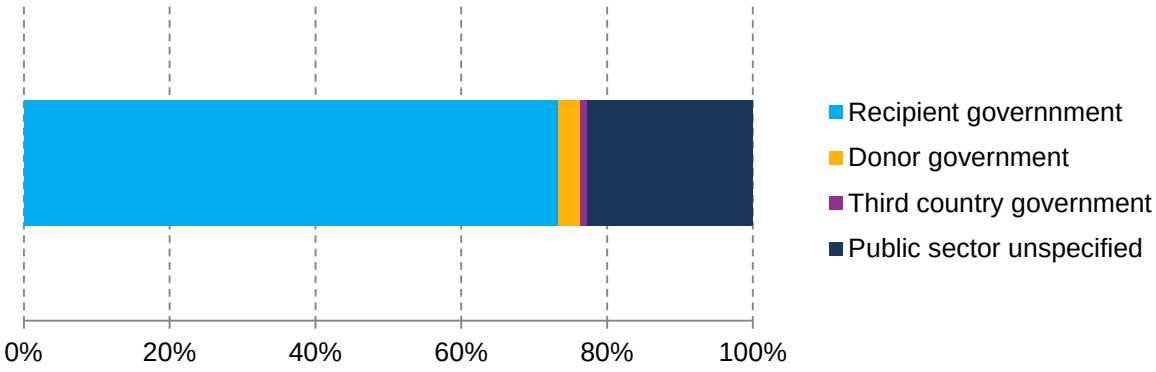
Figure 7.8. Channel of delivery of aid to water and sanitation, 2003–2013



Source: OECD CRS

In 2010, the DAC introduced a new code to distinguish between donor government, recipient government and third-country governments channelling "public sector" aid. Based on these purpose codes, in 2013, recipient governments channelled three-quarters of aid to the water and sanitation sector (73%). Donor governments reportedly channelled only 3%, while the government was not specified for 23% of aid to the sector.

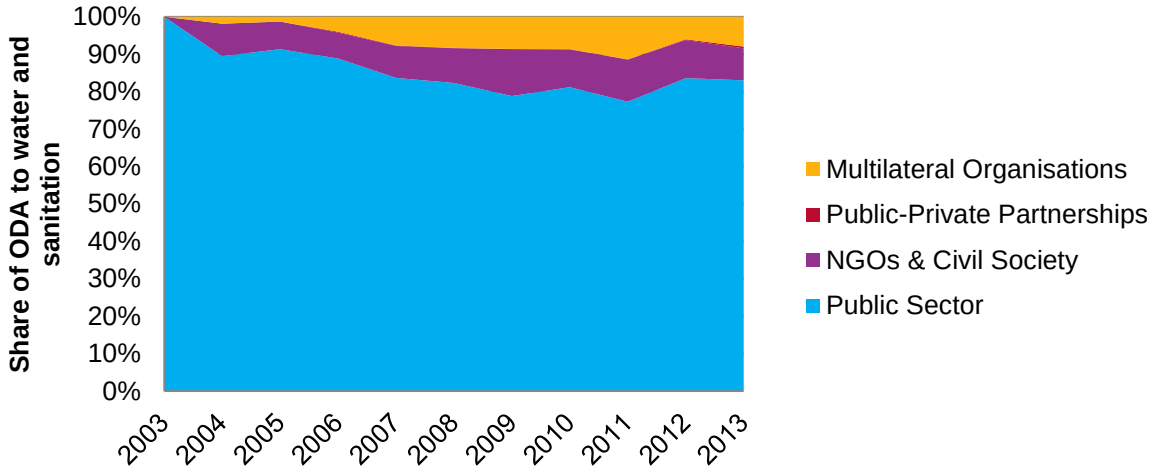
Figure 7.9. Public sector channelling of aid to water and sanitation by public sector type, 2013



Source: OECD CRS

The public sector delivered 81% of aid to water and sanitation to 45 priority countries in 2013: this is higher than the average for all countries of 73%. NGOs and civil society delivered 8.3% and multilateral organisations delivered 7.8%.

Figure 7.10. Channel of delivery of aid to water and sanitation for 45 priority countries, 2003–2013



Source: OECD CRS

7.4 Financial absorption in the water and sanitation sector

Financial absorption capacity is a key issue in the effective financing of water and sanitation needs. This refers to the extent to which finance flows can be effectively managed and used for their intended purpose in the recipient country. In the water and sanitation sector, because a high proportion of aid is channelled through public systems, particularly recipient governments, absorption is particularly relevant. For priority countries where the public sector channels a higher than average share of aid, absorption capacity needs to be taken into account when allocating aid.

In the GLAAS 2014 report, countries that absorb over 75% of commitments are considered to absorb a “high percentage” of funds. The absorption rate indicates the percentage of official donor commitments used over a given period.[77] Overall, only 26 countries were found to have high absorption rates across the four areas of support: urban water (45% of countries absorb 75% or more), followed by rural water and urban sanitation (44.4% for each). The subsector with the least absorption rates is rural sanitation with 23 countries (30%) reporting absorbing less than 50% of external support, and only 32 countries (42%) reporting absorbing more than 75% of external support.

[77] The 2013/2014 GLAAS country survey questionnaire referred to a three-year average percentage of official domestic or donor commitments used.

Figure 7.11. Financial absorption rates of external financing for rural and urban water, 2011-2013, number of countries reporting on share of funds absorbed

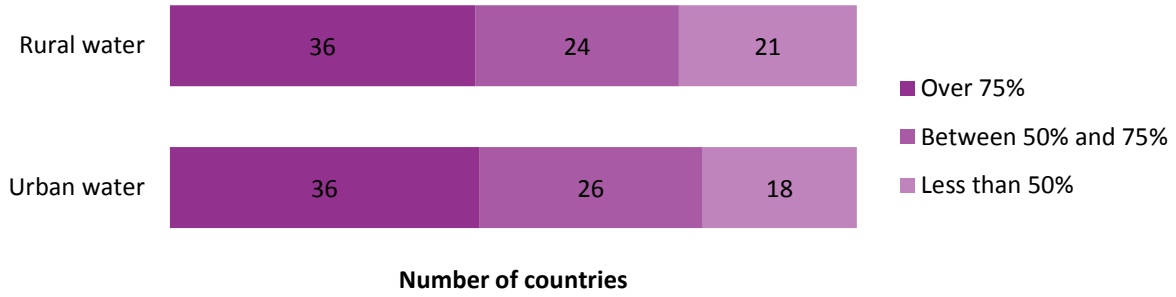
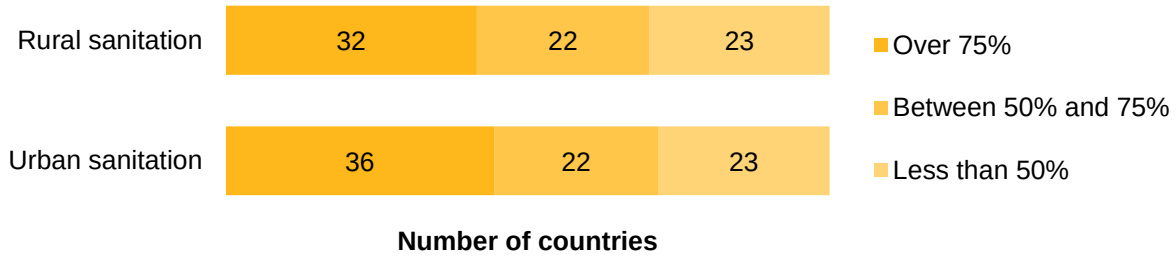


Figure 7.12. Financial absorption rates of external financing for rural and urban sanitation, 2011-2013, number of countries reporting on share of funds absorbed



Source: WHO/UN-Water (2014) GLAAS

Low absorption rates can be explained by different factors, including logistical barriers, capacity issues, or delays to the agreed timeline. Based on 47 aid recipient country responses to GLAAS, key reasons for low absorption rates in the water and sanitation sector include:

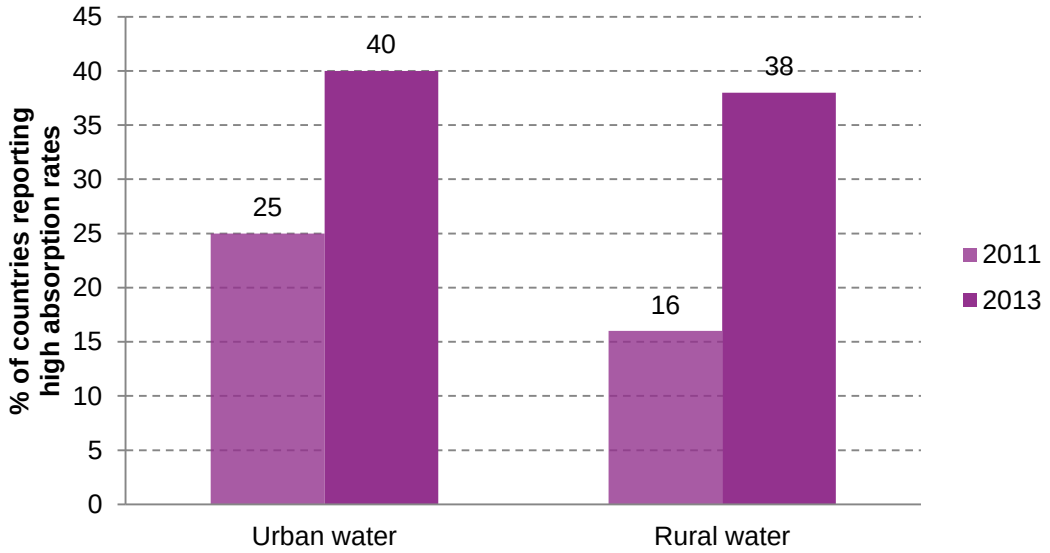
- Procurement procedures too complex, lengthy or delays (30% of recipient countries)
- Disbursement delays or complex procedures (21% of recipient countries)
- Limited national institution or contractor capacity (19% of recipient countries)
- Land issues, geographic inaccessibility and conflict (15% of recipient countries)

These responses are in line with the perspective of external support agencies, eight of whom give key reasons as:

- Recipient lack of capacity to spend, related to financial absorption issues
- Operational delays
- Recipient procurement delays

Trends data from GLAAS on absorption rates indicate an improvement over 2011–2013, based on 67 common responses to GLAAS 2014 and GLAAS 2012.[78] Absorption rates have increased most in the water sector, and particularly for rural water, for which 38% of countries reported high absorption rates, compared with 16% in 2011. Urban water follows, though absorption rates remain low for 67 countries as only 40% report high absorption. Absorption rates in sanitation have seen less progress among the 67 countries, yet remain comparatively high.

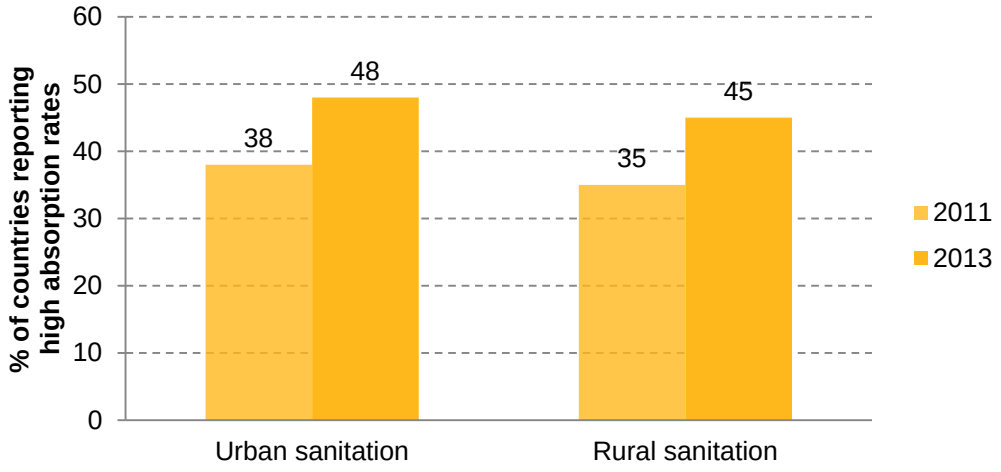
Figure 7.13. Share of countries reporting high absorption rates of rural and urban water finance, based on 67 common respondents, 2011 and 2013



Source: WHO/UN-Water (2014) GLAAS

[78] Based on 67 common respondent countries to GLAAS 2011/2012 and GLAAS 2014.

Figure 7.14. Share of countries reporting high absorption rates of rural and urban water finance, based on 67 common respondents, 2011 and 2013



Source: WHO/UN-Water (2014) GLAAS

However, absorption levels can vary year on year, especially due to the injection of cash or loans for the delivery of large-scale projects or national politico-economic circumstances. Case studies by WaterAid and Development Finance International (DFI) on Ghana and Uganda highlight this issue:[79]

- In Ghana, absorption rates for urban areas were 48% and 71% in 2009 and 2011 respectively; this was mostly due to a major injection of cash from donors, probably intended for expenditure across a number of years. Yet rural absorption rates between 2008 and 2010 averaged only 47%.[80]
- In Uganda, absorption rates were found to have reduced year on year, from 94% in 2007/08 to 82% in 2010/11, leading to a US$2 million underspend over that period. The capacity was particularly impaired in 2010/11, which may be because it was an election year.[81]

[79] DFI and WaterAid (2013)
[80] DFI and WaterAid (2013a)
[81] DFI and WaterAid (2013b)

Part 8 Water and sanitation aid in the context of other resources

Financing universal access to drinking water and basic sanitation means mobilising multiple resources. All resources available to priority countries, including domestic and international, public, private and commercial resources, can contribute to meeting the people's basic needs for water and sanitation access. Yet it is likely that the single largest resource for improving access to water and sanitation comes from people and households themselves, as they invest their own resources into accessing these basic services. Other domestic resources are also critical, including contributions from local NGOs, civil society organisations and domestic philanthropists, which provide goods and services to support people's access to water and sanitation. Analysis of these resources is not within the scope of this study.

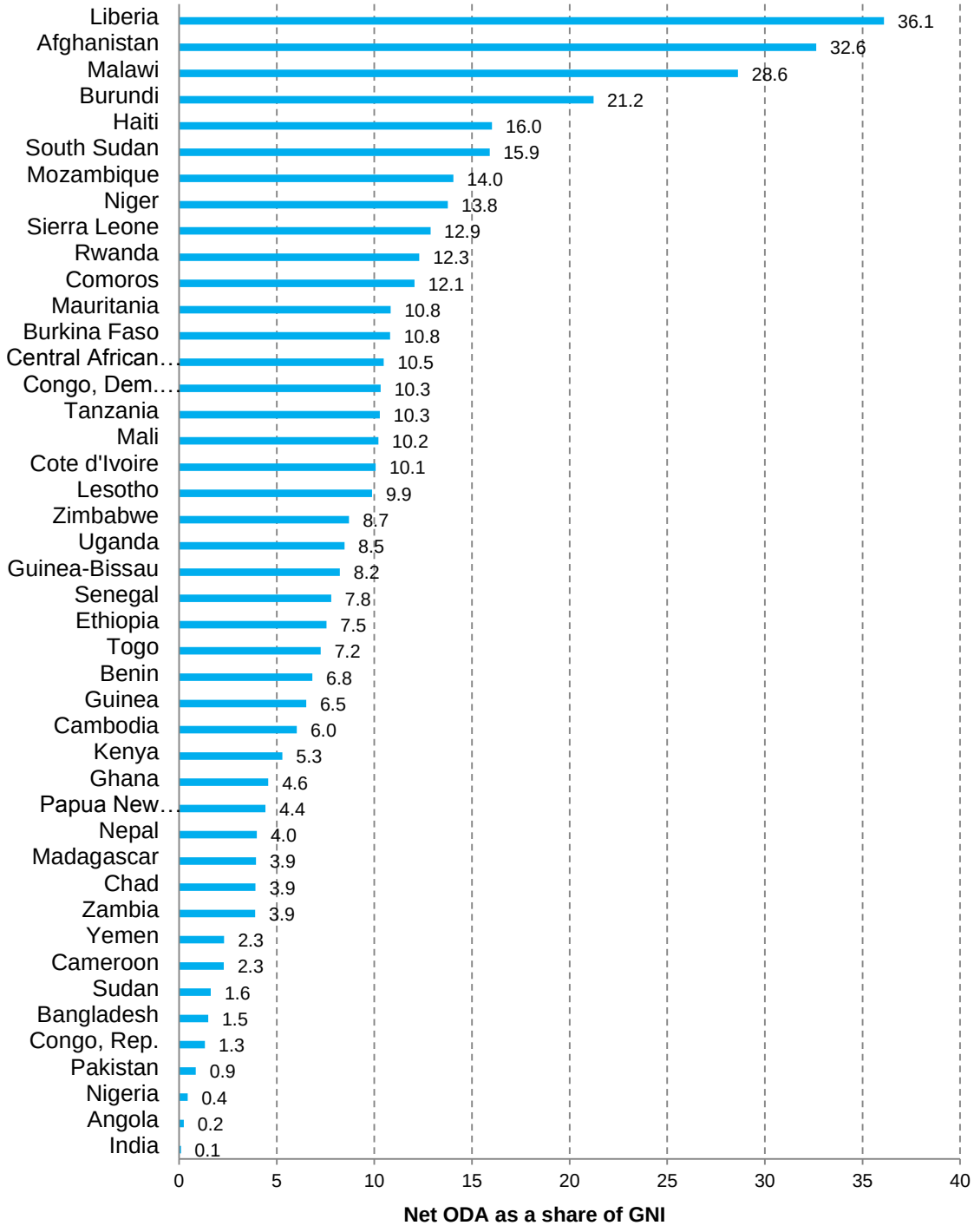
8.1 Aid dependence of priority countries

Aid dependence can be assessed by looking at the share of aid in the national financing of basic services and the economy of a country. One measure of aid dependence looks at net ODA as a share of gross national income (GNI). In 2012, Glennie and Prizzon proposed that ODA/GNI above 10% indicates high aid dependence.[82]

Among 44 priority countries, 18 countries have net ODA as a share of GNI above 10% (Figure 8.1).[83] These include 17 LDCs and one non-LDC, Côte d'Ivoire. The most aid-dependent countries are Liberia, Afghanistan, and Malawi. Comprehensive sector-level data on aid dependence by sector is lacking, but a 2013 Government Spending Watch report by Oxfam and DFI finds that the water and sanitation sector is generally more aid-dependent than other sectors.[84] The report also notes that water and sanitation spending is particularly poorly reported by governments, which hinders an assessment of the aid dependence of the sector.

[82] Glennie and Prizzon (2012)
[83] Data missing for Somalia.
[84] DFI and Oxfam (2013)

Figure 8.1. Net ODA as a share of GNI for priority countries, 2012

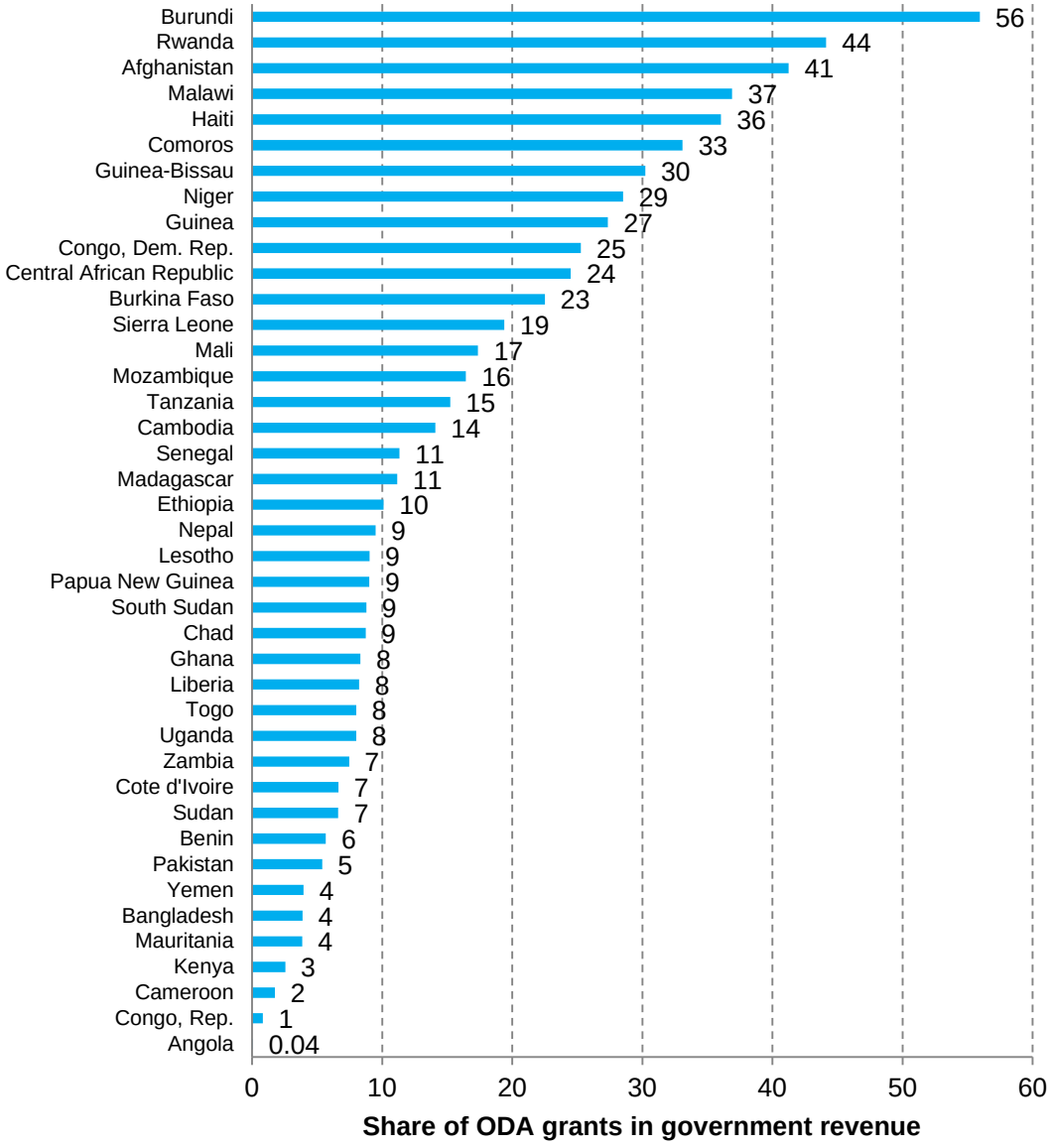


Source: World Bank

The share of aid grants in government revenue can indicate how dependent governments are on external revenue. However, aid flows do not always go on government budgets, particularly in politically unstable and less developed countries, or where donors are less likely to use country systems. Among the 45 priority countries, the ODA grant as a share of government revenue is 0% for Nigeria, Zimbabwe and India, indicating that aid did not go on the government budget. There are 20 countries for which ODA grants represent more than 10% of government revenue, and 12 countries for which they represent more than 20% (Figure 8.2). For Burundi, more than

half of government revenue is made up of ODA grants, indicating dependence on aid for financial resources, and potentially also a good alignment and use of country systems among aid donors. Data is lacking for one country, Somalia, on government revenue and share of grants in government revenue.

Figure 8.2 Share of ODA grants in government revenue of 44 priority countries, latest year available



Source: International Monetary Fund

Reducing the aid dependence of priority countries requires mobilising all available resources to finance development priorities, and stimulating domestic revenue generation. For this to happen, aid needs to be used effectively, in a way that enhances local ownership and strengthens country systems.

8.2 National resourcing of the water and sanitation sector

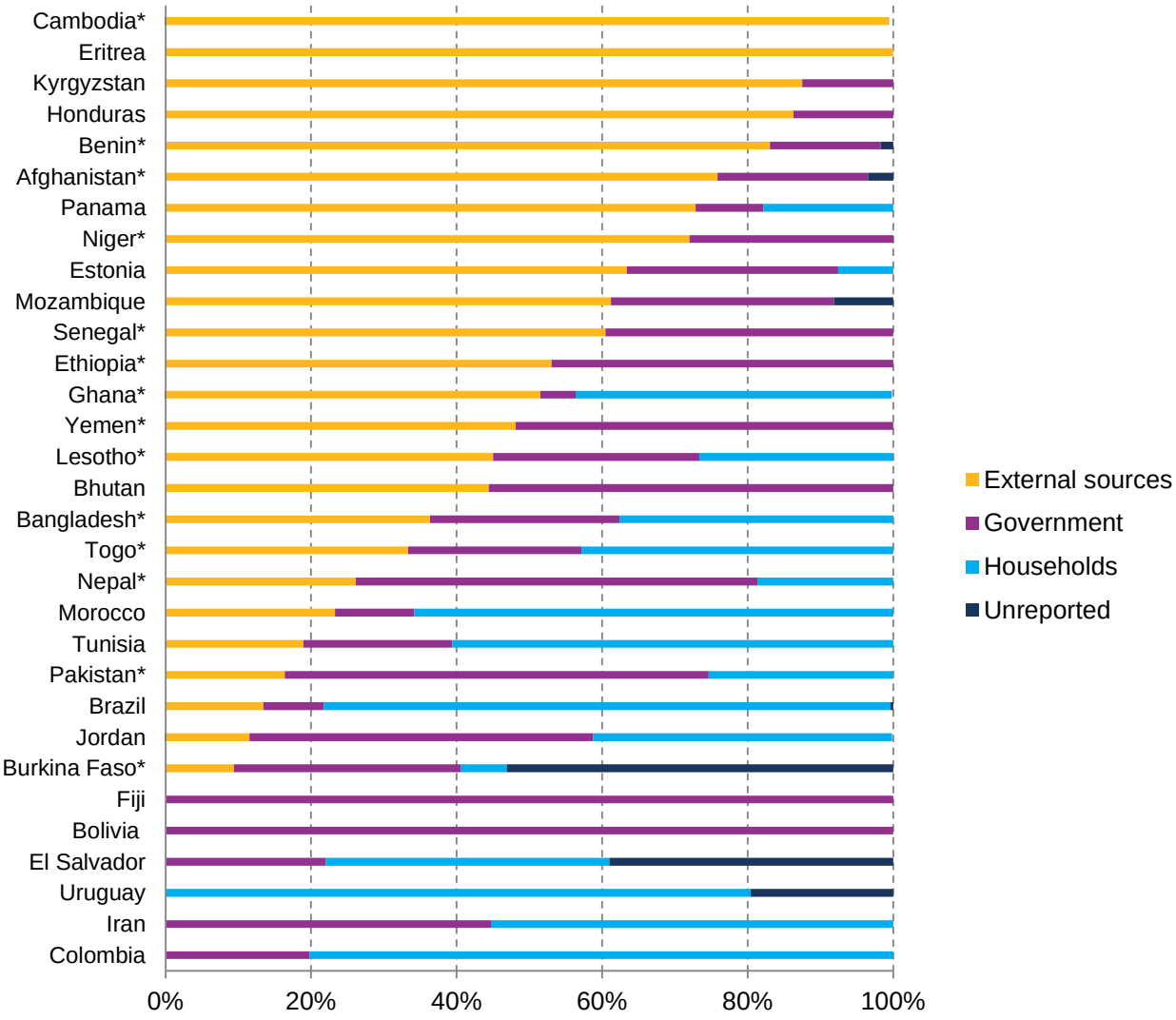
National governments have a mandate to lead on the delivery of basic services to people, including on access to water and sanitation. National government revenue plays an important role in financing access to basic services. Government revenue, excluding grants, per capita ranges from US$ 26 in the Central Africa Republic to US$ 2,402 in Angola.[85] However, there is a lack of sector spending data from national governments on water and sanitation. WHO's 'TrackFin' initiative aims to improve quality of data about national financing of water and sanitation. Through standard classifications and a set of indicators, comparable data would enable tracking of total expenditure in the sector.[86] Data is currently mainly available from GLAAS 2014, which relies on self-reported responses to surveys.

Out of 94 countries surveyed, 31 reported on national total expenditure on water and sanitation, including sources of finance to the sector.[87] Countries with the largest volumes of spending, such as Brazil, Colombia, and Morocco, show the highest shares of household contributions. Countries with lower levels of spending in the sector, including Bhutan, Eritrea and Afghanistan, rely more on external sources.

Among priority countries reporting to GLAAS, Cambodia reported relying on external finance for 100% of financing of the water and sanitation sector, while Benin reported 83% and Afghanistan 76% dependence on external sources. Burkina Faso reported the least dependence on external sources, at only 9%, with the government providing 31% of finance to the sector, but did not specify the source of 53%. Pakistan and Nepal reported relatively low financing from external sources compared with government financing of the sector. Government finance was reported to reach US$74 million in Nepal, and external contributions US$35 million. In Pakistan, government contributions to the sector were reported to reach US$317 million, compared with US$89 million in external assistance. Household contributions were substantial at US$138 million. In Bangladesh, households were found to contribute US$178 million, making households the largest contributor to financing of the sector. In Ghana, households also made a large contribution of US$215 million, compared with US$255 million in external finance and US$24 million in government contributions.[88]

[85] See Annex A1b.
[86] WHO (2014)
[87] Madagascar and Mongolia report total expenditure but do not report on source, and are therefore excluded.
[88] Years used by countries to report to GLAAS vary. Pakistan reported on the financial year is 2011–2012, Cambodia reported on years 2010–2012, Ghana on 2012 and Bangladesh on 2012–2013.

Figure 8.3. Reported share of each source of finance in total expenditure in the water and sanitation sector for 31 countries, years vary, 2011 to 2013



Share of total finance to the water, sanitation and hygiene sector by funding source

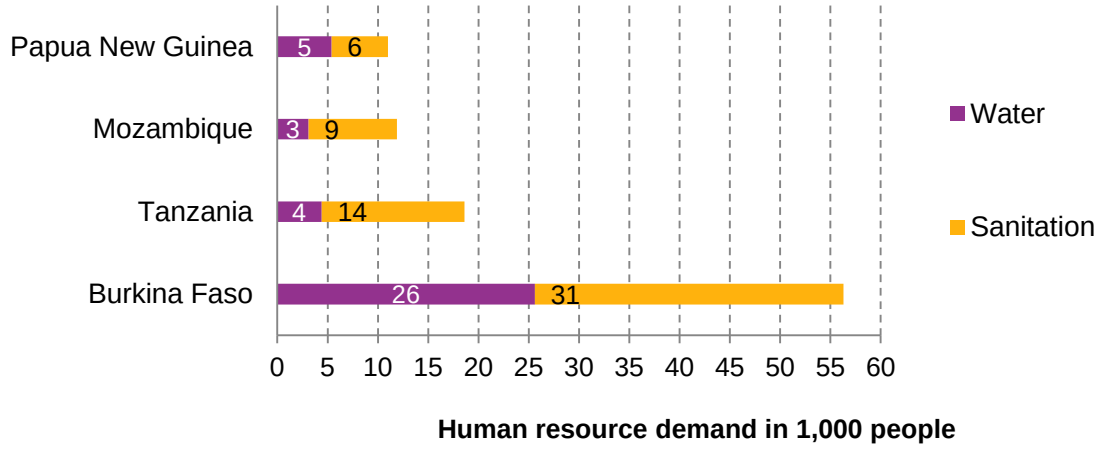
Source: WHO/UN-Water (2014) GLAAS.
Notes: * marks a priority country.

Another indicator of national resourcing capacity to enhance access to water and sanitation is human resources. Numerous studies on improving access to water and sanitation show that human resource constraints are hindering progress. A 2014 study by the International Water Association on human resource capacity gaps finds that there are not enough skilled professionals in developing countries to attain universal access to safe water and sanitation.[89] Rural areas lag behind urban areas for human resources. Further, investments in human resources need to be maintained to sustain

[89] International Water Association (2014)

progress. Bangladesh requires 44,000 additional staff, even as MDG targets have almost been reached, to maintain progress and focus on operation and maintenance of systems. Figure 8.4 illustrates human resource needs for four priority countries, showing that Burkina Faso will require more than 57,000 additional people to meet demand in the water and sanitation sector, with more than half of these needs being in the sanitation sector.

Figure 8.4. Human resources demand to meet universal access in water and sanitation for four priority countries



Source: International Water Association, 2014

Aid investments in the water and sanitation sector may not sustain improved access towards universal access, unless human resource shortages are addressed. At the 2014 SWA High Level Meeting, 26 developing countries committed to strengthening the capacity of human resources and institutions and 17 committed to decentralising services to achieve sustainability of service delivery across their countries. The International Water Association calls for improved data on human resources and on initiatives to support human capacity development.

The International Benchmarking Network for Water and Sanitation Utilities (IBNET) collects and provides data on national providers of water and sanitation services. The IBNET includes data for service providers in most priority countries.[90] This data includes indicators of affordability, coverage and human resources of water and sanitation from national service providers. Therefore, data only includes areas that are covered by the service provider, and may lack coverage particularly for rural areas. According to the IBNET Water Supply and Sanitation Blue Book 2014, the most commonly used indicator across providers and countries on human resources is the indicator "staff per 1,000 connections".[91] This is used as a measure of productivity, where high productivity

[90] Priority countries for which data is unavailable include Angola, Comoros, Congo Republic, Democratic Republic of Congo, Côte d'Ivoire, Guinea-Bissau, Somalia, and South Sudan.
[91] Danilenko et al. (2014)

corresponds to a low number of staff. According to IBNET, staff productivity varies widely, and varies partially in line with differences in connection practices. In low income countries, water connections are shared among multiple households. In Africa, many households are not directly connected to the piped network, but instead access their neighbours' piped water; productivity in 2009 was about 10 staff per 1,000 connections. In Latin America, most households have individual water connections, and staff productivity is 3 staff per 1,000 connections. Different connection practices therefore require different levels of investment in human resources to meet areas' specific needs.

8.3 Non-aid international resource flows

8.3.1 Overall picture: aid is the largest international resource flow for most priority countries

Given the domestic resource constraints faced by priority countries, international private and public flows other than aid have a key role to play in financing access to water and sanitation services. The scale and diversity of international resource flows to developing countries has increased rapidly with a fluid mix of resources flowing in and out of countries. Outwards flows from developing countries include the repayments of loans, including aid loans, and profits on foreign investments. The picture of international resource flows to priority countries show the limited availability of resources other than aid to priority countries, particularly for small countries and those that are not oil or mineral-rich.

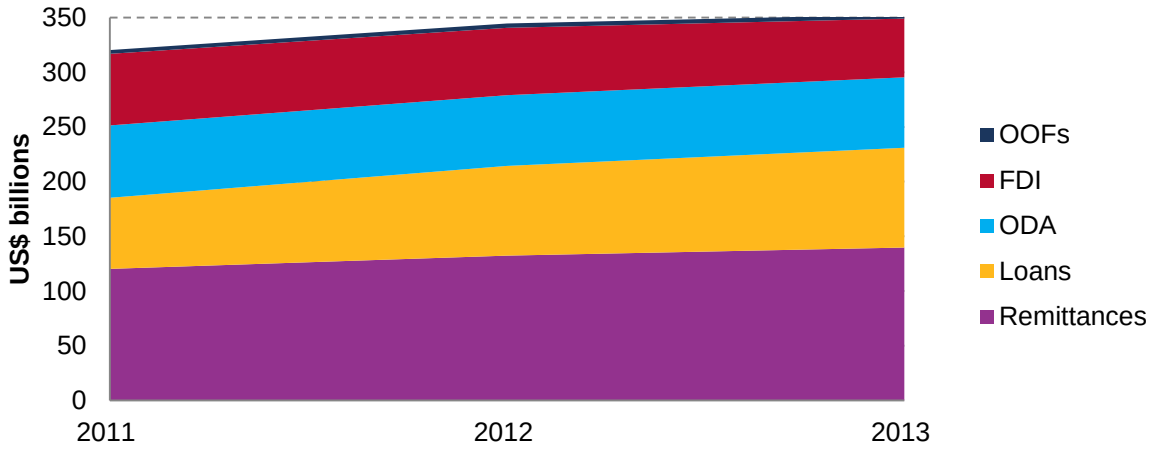
Aid represents a small share of the global resource flows picture to developing countries. This report looks at four main international resource flows to priority countries: foreign direct investment (FDI), remittances, long-term loans and other official flows (OOFs). Globally comparable sector data for each of these resource flows is lacking, though national sources for some countries provide sector data on some flows. It is outside of the scope of this study to determine non-aid international resource flows to the water and sanitation sector.

The resource mix to 45 priority countries in 2013 reached US$288 billion excluding aid. Aid contributed an additional US$64 billion across all sectors.

International resource flows to priority countries are dominated by remittances, which reached US$140 billion in 2013, or 40% of the total volume for five flows. Loans represented 26% in 2013 at US$91 billion, and aid was the third largest resource representing 18% of the five flows. FDI represented only 15% or US$54 billion, and OOFs 1%.

Over 2011–2013, loans to priority countries have grown faster than other resource flows, by 48%. In contrast, remittances remained stable, growing by 0.50%; total aid decreased by 2.6% and FDI by 18%. OOFs grew by nearly 10%.

Figure 8.5. International resource flows to 45 priority countries

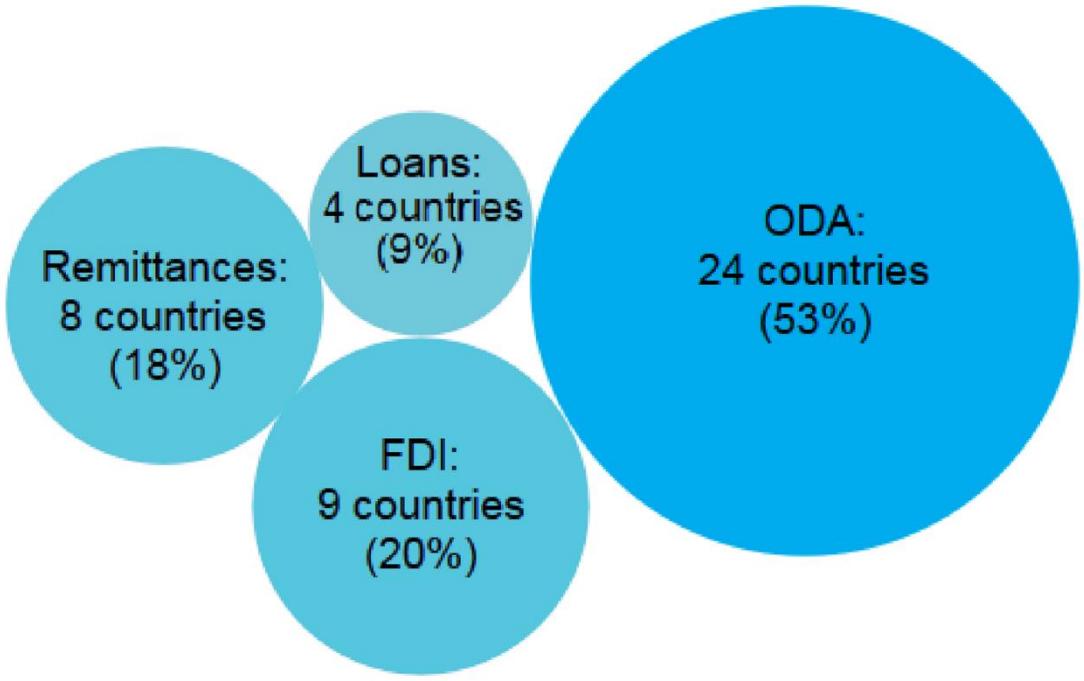


Source: OECD CRS, UNCTAD, World Bank and IMF

Overall, remittances are the largest resource flow to priority countries in volume. However, the majority of priority countries rely mostly on ODA among international resources. For 24 of the 45 priority countries, the largest international resource flow is ODA. For nine countries, the second largest resource is FDI, and remittances is the largest resource for eight countries. Loans are the largest resource for only four countries, while loans are the largest resource flow to all developing countries.[92]

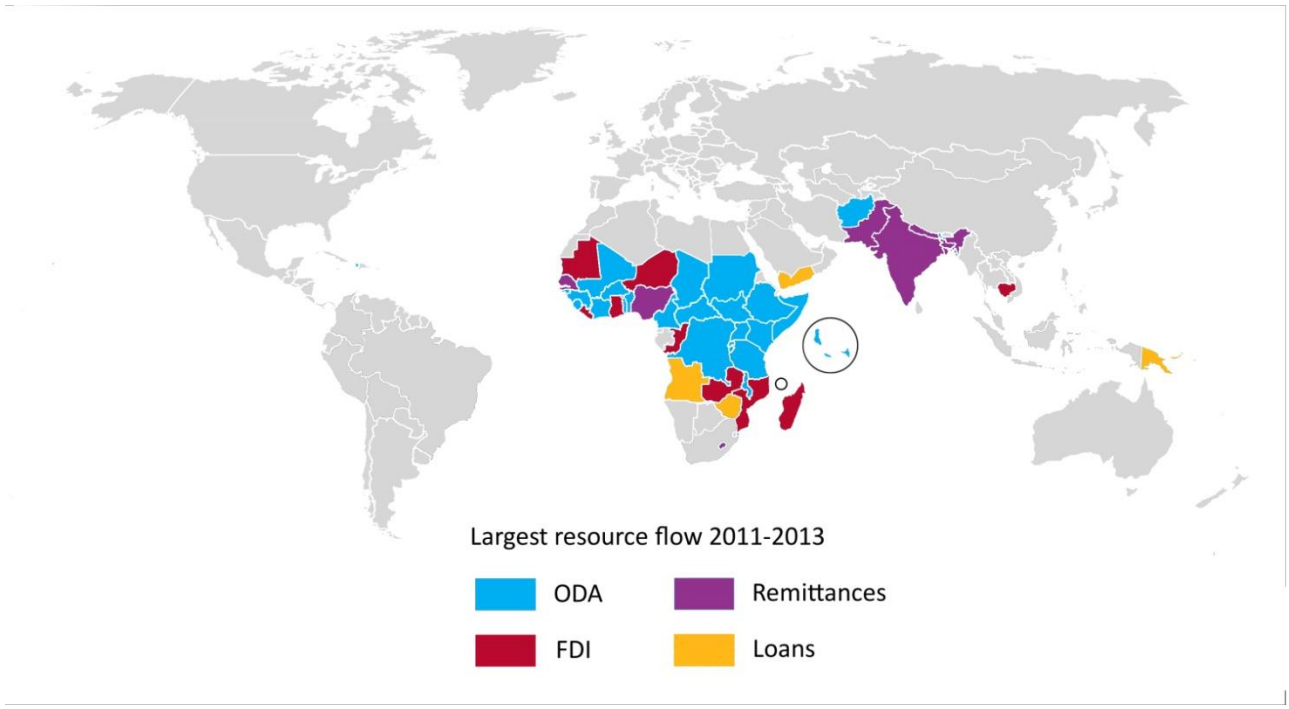
[92] See Development Initiatives (2013a)

Figure 8.6. Largest international resource flow for each priority country, based on 2011–2013 average volumes



Source: OECD CRS, UNCTAD, World Bank and IMF

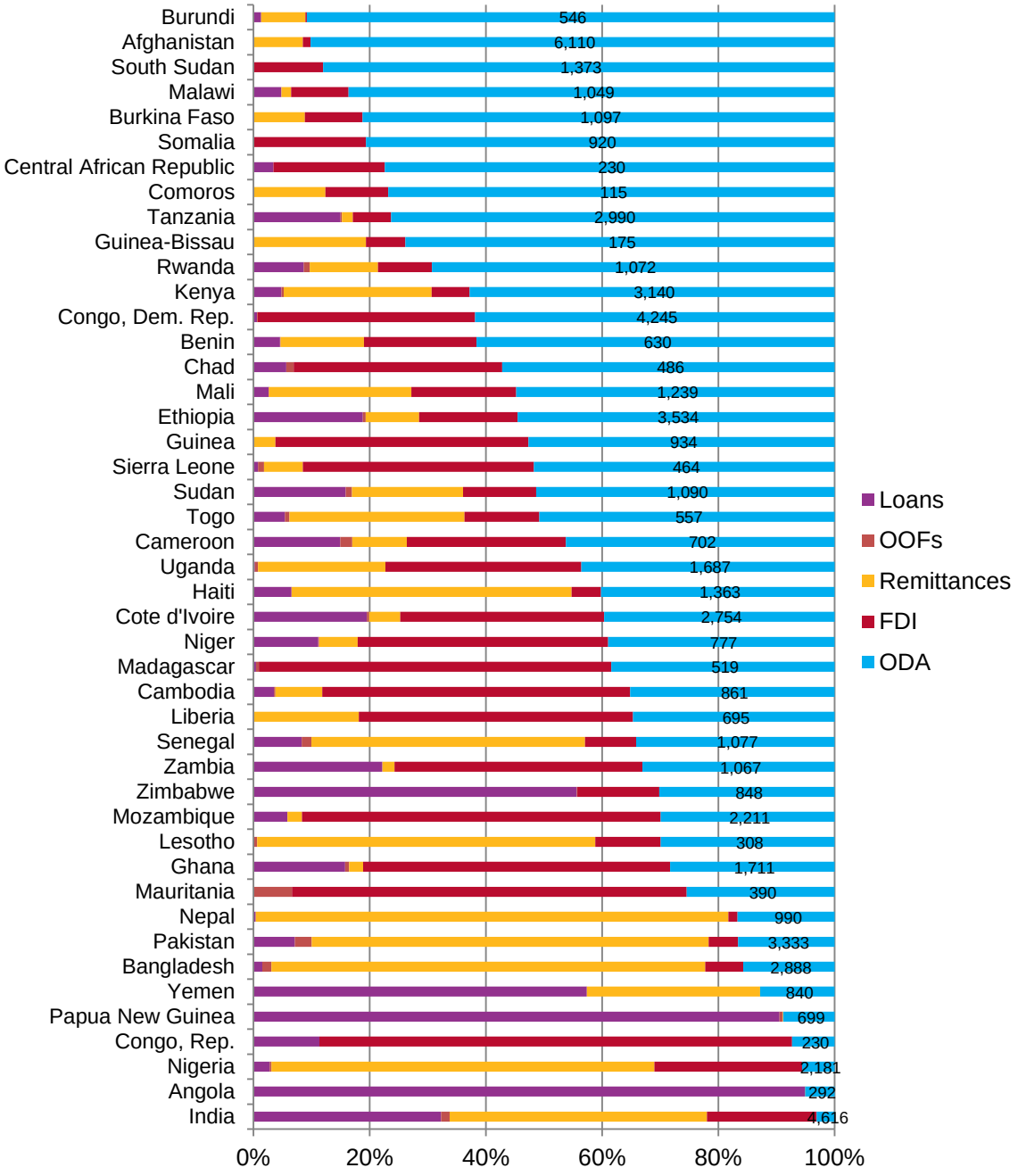
Map 5. Largest international resource flow for each priority country, based on 2011–2013 average volumes



Source: OECD CRS, UNCTAD, World Bank and IMF

Among the 45 priority countries, Burundi receives the largest share of aid as a proportion of international resources reaching the country: 91% of all resources. India is the second-largest recipient of aid in terms of volumes across all sectors, receiving US$4.6 billion, but aid represented only 3% of all resource flows to the country. Afghanistan is the largest aid recipient across all sectors among 45 priority countries, and in contrast aid represented 90% of all resources to the country.

Figure 8.7. International resource flows to 45 priority countries, share of total international resources for each resource by country, and volumes of ODA in US$ millions, based on 2011–2013 average volumes

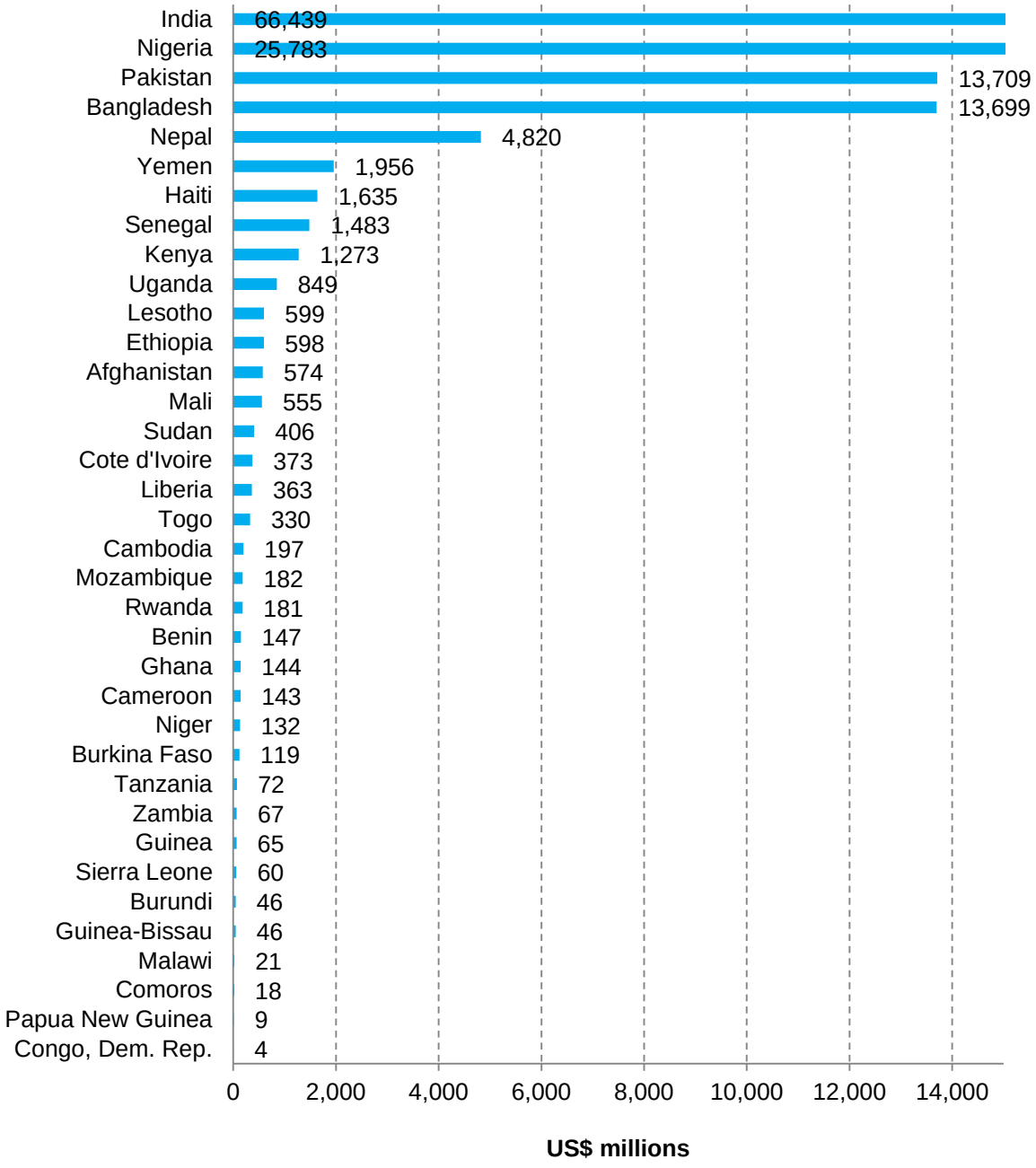


Source: OECD CRS, UNCTAD, World Bank and IMF

8.3.2 Remittances

Remittances are funds transferred by migrant workers to their home country from the country they are working in. The true value of remittances is thought to be much higher than recorded because large volumes of remittances may flow through informal channels. Among the 45 priority countries, 3 have no data (Central African Republic, South Sudan and Somalia) and a further 6 report zero values (Congo Republic, Madagascar, Chad, Mauritania, Zimbabwe and Angola). These countries show some of the highest extreme poverty levels among the 45 priority countries.

Figure 8.8 Remittances to priority countries, total volumes (not specific to water and sanitation sector), 2011–2013 average inflows (2012 prices)



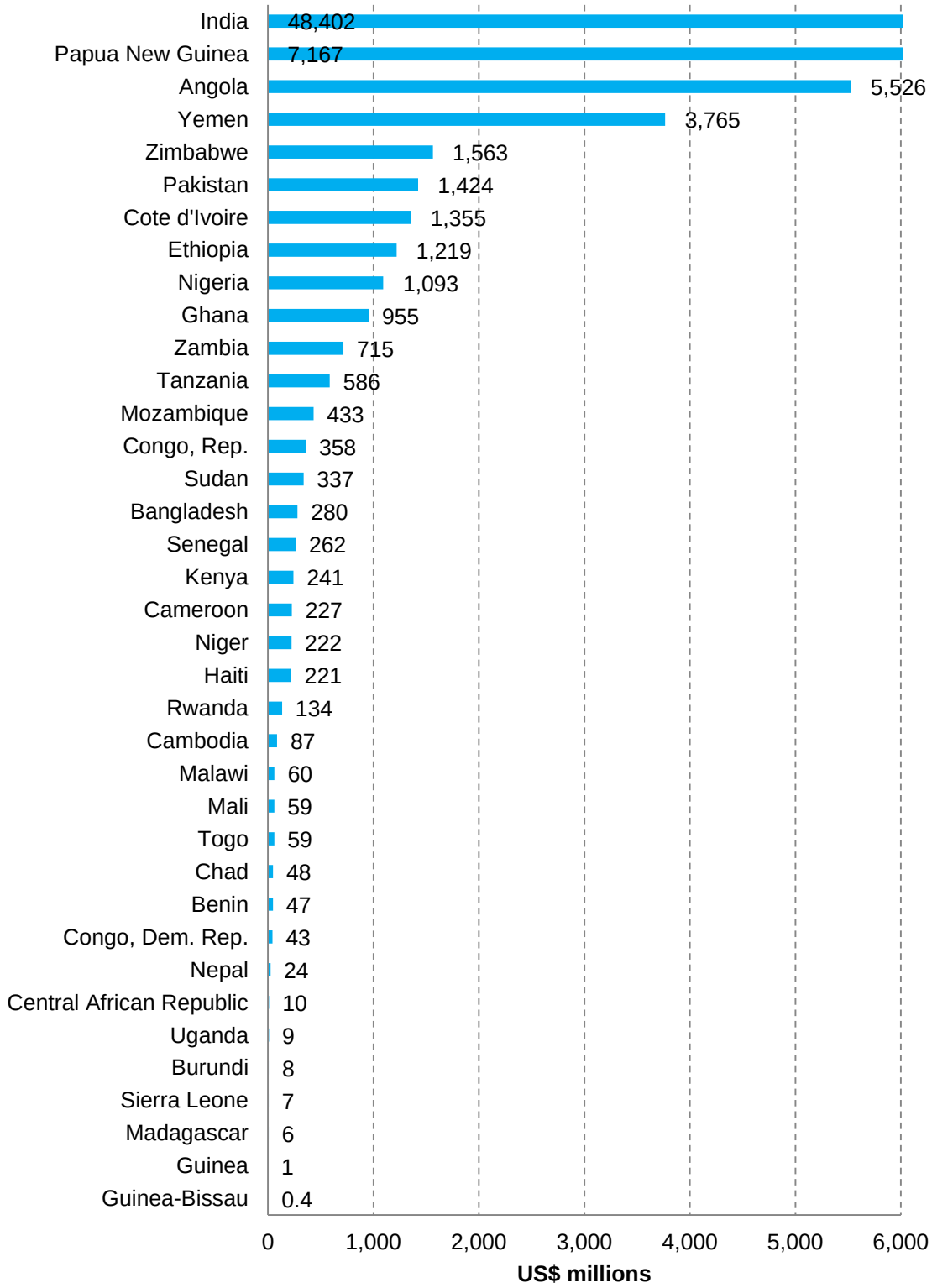
Source: International Monetary Fund

8.3.3 Loans

Long-term loans have terms exceeding one year and flow to institutions in both the public and private sectors. They are discounted of ODA loans and OOFs in this report. Loans carry a repayment burden, which includes capital repayments from developing countries and interest payments.

Loans are the largest overall flow to developing countries. However, in the case of 45 priority countries, they are the largest resource for only 4 countries: Angola, Yemen, Papua New Guinea and Zimbabwe. India receives the largest volume of loans, at U$48.4 billion. Yet most priority countries receive less than US$1 billion loans, and 22 countries receive less than US$100 million. While loans can provide access to additional finance required by national governments to deliver services, debt burdens and repayment capacity should be considered. Increased access to long-term loans to priority countries for investment in water and sanitation will therefore vary according to country's capacities for repayment and access to more concessional loans, such as ODA loans.

Figure 8.9 Loans to priority countries, total volumes (not specific to water and sanitation sector), 2011–2013 average inflows (2012 prices)



Source: International Monetary Fund

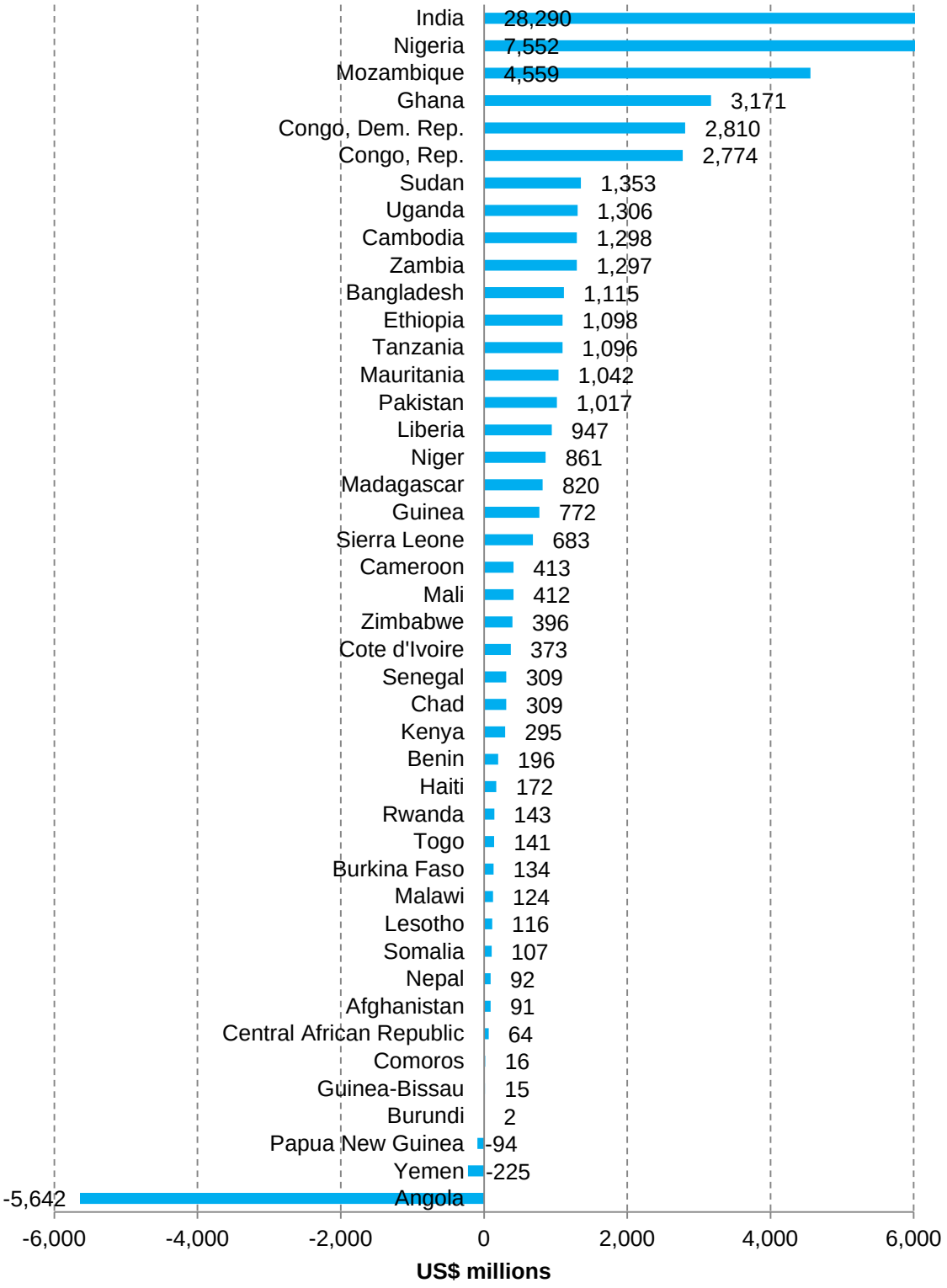
8.3.4 Foreign direct investment

FDI refers to long-term investments in which the investor takes some control over the recipient enterprise, typically defined as 10% management control or more. Foreign investments are motivated by private return, and the reverse flow of profits on FDI leaving developing countries is considerable. Overall, FDI to all developing countries has grown rapidly in recent years and flows in large volumes to countries with large numbers of poor people.[93] Among priority countries, India, Nigeria, Mozambique, Ghana, the Republic of Congo and the Democratic Republic of Congo receive most FDI. These countries have large, fast-growing economies or are resource-rich. However, most priority countries (23 countries) receive less than US$500 million of total FDI on average each year.

Enhancing contributions of private, commercial flows to support development is part of the vision of the post-2015 sustainable development goals. The private sector can develop skills and provide access to goods and services for access to water and sanitation. For the large and resource-rich economies receiving large amounts of FDI, enhancing the contribution of such flows to supporting access to improved water sources and sanitation facilities can support progress towards universal access, even as issues around equity and affordability need to be monitored.

[93] See Development Initiatives (2013b) for more on trends in non-aid resource flows

Figure 8.10. FDI to priority countries, total volumes (not specific to water and sanitation sector), 2011–2013 average inflows, US$ millions



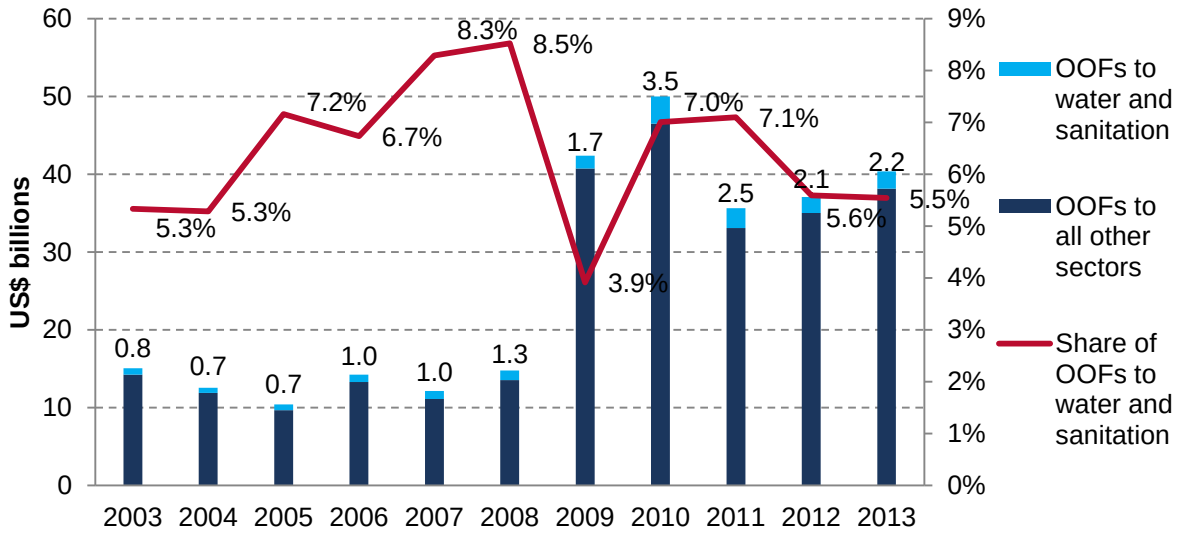
Source: UNCTAD

8.3.5 Other official flows

OOFs are typically loans made by donors to the private and public sector in developing countries. OOFs are distinguished from ODA because they do not meet the concessionality criteria to be classified as ODA. There can be an overlap between the long-term loans category and OOFs; however, detailed data is lacking to quantify the overlap.

OOFs to the water and sanitation sector represented US$2.2 billion, or 5.5% of all OOFs in 2013. In 2008, OOFs to water and sanitation peaked at 8.5% of all OOFs. OOFs' volumes in the sector have been steadily increasing from US$803 million in 2003.

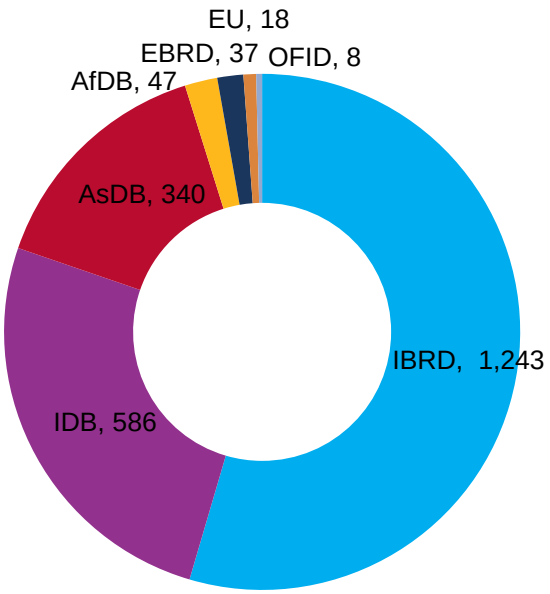
Figure 8.11 OOFs to the water and sanitation sector, total volumes in US$ billion and share of all OOFs, 2003–2013



Source: OECD CRS

Multilateral institutions provide most OOFs to the water and sanitation sector. The largest provider is the International Bank for Reconstruction and Development (IBRD), which provided on average US$1.2 billion in OOFs to the sector over 2011–2013. The Inter-American Development Bank is the second largest provider, followed by the Asian and African Development Banks.

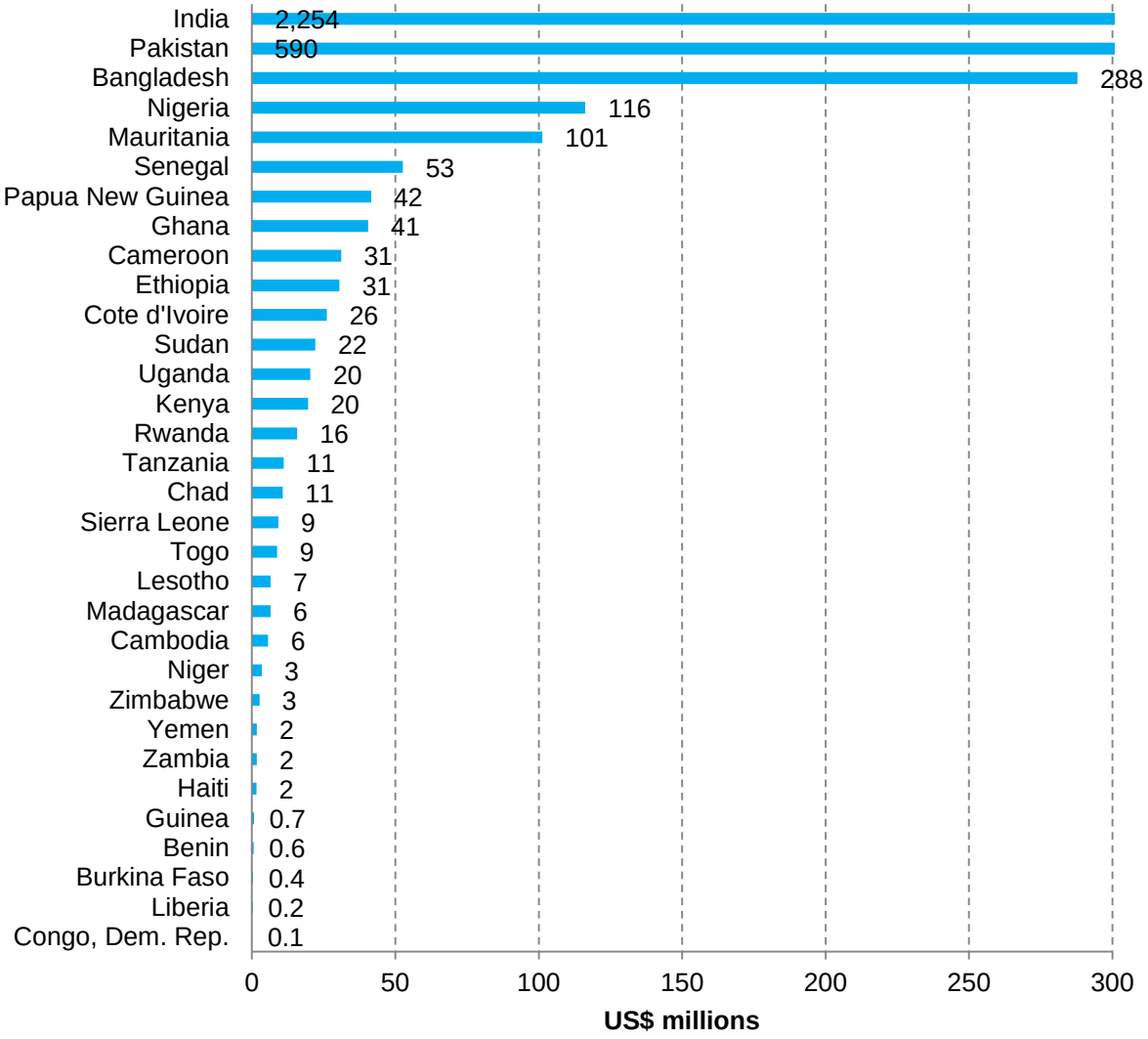
Figure 8.12 Donor disbursements of OOFs to the water and sanitation sector, 2011– 2013 average, US$ millions



Source: OECD CRS

Recipient data for OOFs in water and sanitation is not available. Figure 8.13 therefore looks at OOFs to all sectors to priority countries. Among 45 priority countries, 13 report no OOFs, and most receive less than US$50 billion in OOFs.

Figure 8.13 OOFs to priority countries, total volumes (not specific to water and sanitation sector), 2011–2013 average volumes, US$ millions



Source: OECD CRS

Part 9 Recommendations to government

Key findings: identifying existing needs in water and sanitation access

- Progress on access to improved water sources shows that while the MDG water target was met, 748 million people, or 10% of the global population, remain without access to improved water sources.
- Progress on access to improved sanitation has not met the MDG sanitation target. Globally, 2.5 billion people, or 40% of the population, remain without access to sanitation facilities.
- Rural areas are lagging behind urban areas in access to water and sanitation. Yet even progress in urban areas has been slow and a section of the urban population appears consistently deprived of improved water sources and sanitation facilities.
- Priority countries for water and sanitation investments are characterised in this report as having high poverty, low access to water and sanitation, and high levels of diarrhoeal deaths, as well as LDC status and low levels of government revenue.
- The group of 45 priority countries are extreme in terms of deprivation, including on access to water and sanitation: 33% of the population are using unimproved water sources compared with 14% across all developing countries, 72% are using unimproved sanitation facilities compared with 32% across all developing countries.
- Taken together, the 45 countries account for 80.7% of all people living in extreme poverty globally.
- 35 countries of the 45 priority countries are LDCs.
- Need is concentrated in sub-Saharan Africa. However, large countries such as India still have a significant number of people without access to improved water and sanitation.
- National governments are increasingly recognising access to water as a human right, and moving towards visions of universal access to improved water and sanitation.
- Better data is needed to identify and map needs accurately, particularly in conflict-affected countries such as Somalia.
- Financial needs remain acute. National governments report a lack of finance to meet targets, particularly in sanitation.
- Absorption rates are comparatively higher in sanitation than in water, indicating that additional resources could be absorbed in this sub-sector.

Key findings: using financial resources effectively to progress to universal access

- Aid to water and sanitation has steadily increased in volume, at a similar pace to overall ODA. ODA to the sector consistently represents 4–5% of all ODA.
- International philanthropic giving to water and sanitation is increasing, and foundation grants appear to be more directed to basic services than large systems when compared with ODA. However, foundation grants appear to go to more economically developed and stable countries than to LDCs.
- There has been a strong increase in aid to large-scale projects. In particular, data that disaggregates water from sanitation shows a strong increase of large-scale sanitation projects.
- Aid to basic sanitation is lagging behind; it remains small in volume and is not experiencing significant growth.
- Aid loans to water and sanitation represent a growing share of aid to the sector. Loans are driven by multilateral donors.
- The public sector delivered three-quarters of aid in the water and sanitation sector in 2013. For priority countries, the public sector delivered more than four fifths.
- Water and sanitation sector aid is mainly delivered as project-type interventions.
- Reliable data is lacking on rural and urban targeting of water and sanitation aid, but while needs are greatest in rural areas, a qualitative assessment of aid projects indicates greater volumes of aid to urban areas.
- National governments perform better on planning and monitoring in water than in sanitation.
- The water and sanitation sector faces challenges in transparency and sector coordination, due to the numerous actors involved in delivery of water and sanitation services, including line ministries and private sector stakeholders.
- For targeting aid in water and sanitation, low financial absorption capacities should be considered. This includes assessing previous trends in financial absorption for each aid modality, anticipating political leadership changes and their implications, and ensuring that aid comes in a form that can be absorbed.
- Aid remains the key international public financial resource for reducing poverty that can be dedicated to improving access to basic services for populations without access.
- Aid is the largest international resource for more than half of priority countries (24 countries).
- Domestic resource constraints are acute. Data is lacking on sector-level spending in water and sanitation for most countries.
- Remittances and FDI are flowing particularly to countries that are large, experiencing high economic growth, or resource rich.

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Annex

Aid to all countries from all donors

Aid trends to 45 priority countries

Table A1. List of priority countries and key indicators

Sub-Saharan Africa
North and Central America
South Asia
Middle East
Oceania
South East Asia

A1.a Water access, sanitation access and diarrhoeal deaths

Country	Share of people using unimproved water sources	Millions of people using unimproved water sources	Share of people using unimproved sanitation facilities	Millions of people using unimproved sanitation facilities	Diarrhoeal deaths per 1,000 deaths
Angola	46%	9.5	40%	8.3	1.8
Congo, Dem. Rep.	54%	35.2	69%	45.1	1.7
Central African Republic	32%	1.4	78%	3.6	1.6
Somalia					1.5
Chad	49%	6.1	88%	11	1.4
Sierra Leone	40%	2.4	87%	5.2	1.3
Burundi	25%	2.4	53%	5.2	1.1
Niger	48%	8.2	91%	15.6	1
Mali	33%	4.9	78%	11.6	0.9
South Sudan	43%	4.7	91%	9.9	0.8
Nigeria	36%	60.7	72%	121.9	0.8
Congo, Rep.	25%	1.1	85%	3.7	0.8
Guinea-Bissau	26%	0.4	80%	1.3	0.7
Cote d'Ivoire	20%	3.9	78%	15.5	0.7
Cameroon	26%	5.6	55%	11.9	0.7
Mozambique	51%	12.8	79%	19.9	0.6
Togo	40%	2.7	89%	5.9	0.6
Guinea	25%	2.9	81%	9.3	0.6
Burkina Faso	18%	3	81%	13.4	0.6
Madagascar	50%	11.2	86%	19.2	0.5
Ethiopia	48%	44.5	76%	70.1	0.5
Afghanistan	36%	10.7	71%	21.2	0.5
Sudan	45%	16.6	76%	28.4	0.5
Uganda	25%	9.2	66%	24	0.5
Benin	24%	2.4	86%	8.6	0.5
Mauritania	50%	1.9	73%	2.8	0.5
Kenya	38%	16.5	70%	30.4	0.5
Zimbabwe	20%	2.8	60%	8.2	0.5
India	7%	91.5	64%	791.9	0.5
Comoros					0.5
Lesotho	19%	0.4	70%	1.4	0.5
Country	Share of people using unimproved	Millions of people using unimproved	Share of people using unimproved	Millions of people using unimproved	Diarrhoeal deaths per 1,000 deaths

	water sources	water sources	sanitation facilities	sanitation facilities	
Tanzania	47%	22.3	88%	41.9	0.4
Malawi	15%	2.4	90%	14.3	0.4
Liberia	25%	1.1	83%	3.5	0.4
Haiti	38%	3.8	76%	7.7	0.4
Zambia	37%	5.2	57%	8	0.4
Rwanda	29%	3.4	36%	4.2	0.4
Senegal	26%	3.6	48%	6.6	0.4
Pakistan	9%	15.3	52%	93.9	0.4
Ghana	13%	3.3	86%	21.7	0.3
Papua New Guinea	60%	4.3	81%	5.8	0.2
Nepal	12%	3.3	63%	17.4	0.2
Yemen	45%	10.8	47%	11.1	0.2
Bangladesh	15%	23.4	43%	66.5	0.1
Cambodia	29%	4.3	63%	9.4	0.1

1.b Government revenue per capita, poverty levels and LDC status

Country	Government revenue per capita (PPP$)	Government revenue per capita (US$)	Share of population living in extreme poverty	Millions of people living in extreme poverty	Least developed country?
Angola	3,275	2,402	43%	9	Yes
Congo, Rep.	2,899	1,624	33%	1	No
Lesotho	1,509	571	46%	1	Yes
Mauritania	1,047	370	24%	1	Yes
India	1,022	317	25%	301	No
Yemen	881	319	5%	1	Yes
Pakistan	706	171	13%	22	No
Zambia	651	308	73%	10	Yes
Ghana	648	285	18%	4	No
Nigeria	634	321	60%	99	No
South Sudan	613	347	47%	5	Yes
Kenya	590	233	38%	16	No
Papua New Guinea	587	526	7%	1	No
Cameroon	510	232	25%	5	No
Cote d'Ivoire	501	241	37%	7	No
Cambodia	481	161	10%	1	Yes

Country	Government revenue per capita (PPP$)	Government revenue per capita (US$)	Share of population living in extreme poverty	Millions of people living in extreme poverty	Least developed country?
Chad	458	223	37%	4	Yes
Senegal	452	214	34%	5	Yes

Sudan	408	131	17%	6	Yes
Nepal	405	119	25%	7	Yes
Tanzania	340	116	43%	20	Yes
Bangladesh	330	112	40%	60	Yes
Benin	322	141	52%	5	Yes
Burkina Faso	309	139	41%	7	Yes
Comoros	304	166	48%		Yes
Burundi	290	36	80%	8	Yes
Mozambique	287	158	55%	13	Yes
Zimbabwe	285	276	47%	6	No
Mali	264	113	51%	7	Yes
Guinea	246	95	41%	5	Yes
Togo	244	108	52%	3	Yes
Ethiopia	225	64	37%	33	Yes
Uganda	222	76	37%	13	Yes
Haiti	211	95	52%	5	Yes
Sierra Leone	205	80	57%	3	Yes
Afghanistan	203	75	24%	7	Yes
Rwanda	185	84	63%	7	Yes
Malawi	180	48	72%	11	Yes
Niger	153	66	41%	7	Yes
Madagascar	133	43	88%	19	Yes
Liberia	125	121	70%	3	Yes
Guinea-Bissau	122	51	49%	1	Yes
Congo, Dem. Rep.	86	48	84%	54	Yes
Central African Republic	51	26	57%	3	Yes
Somalia			47%	5	Yes

Table A2. Priority countries' progress to MDG water and sanitation

Met target	On track
Progress insufficient	Not on track

Priority countries	Use of drinking water sources	Use of sanitation facilities
Afghanistan	Met target	Not on track
Angola	Not on track	On track
Bangladesh	Met target	Not on track
Benin	On track	Not on track
Burkina Faso	Met target	Not on track
Burundi	Not on track	Not on track
Cambodia	Met target	Not on track
Cameroon	On track	Not on track
Central African Republic	Not on track	Not on track
Chad	Not on track	Not on track
Comoros	-	-
Congo	-	-
Côte d'Ivoire	Not on track	Not on track
Democratic Republic of the Congo	Not on track	Not on track
Ethiopia	On track	Not on track
Ghana	Met target	Not on track
Guinea	On track	Not on track
Guinea-Bissau	Met target	Not on track
Haiti	Not on track	Not on track
India	Met target	Not on track
Kenya	Not on track	Not on track
Lesotho	Progress insufficient	Not on track
Liberia	On track	Not on track
Madagascar	Not on track	Not on track
Malawi	Met target	Not on track
Mali	Met target	Not on track
Mauritania	Not on track	Not on track
Mozambique	Not on track	Not on track
Nepal	Met target	Not on track
Niger	Not on track	Not on track
Nigeria	Not on track	Not on track
Pakistan	On track	Not on track
Papua New Guinea	Not on track	Not on track
Rwanda	Not on track	On track
Senegal	Progress insufficient	Not on track
Sierra Leone	Progress insufficient	Not on track
Somalia	-	-
South Sudan	-	-
Sudan	Not on track	Not on track
Tanzania	Not on track	Not on track
Togo	Not on track	Not on track
Uganda	Met target	Not on track
Yemen	Not on track	Progress insufficient
Priority countries	**Use of drinking water sources**	**Use of sanitation facilities**
Zambia	Not on track	Not on track
Zimbabwe	Not on track	Not on track

Table A3. Resource mix to priority countries, 2011–2013 averages, US$ millions

Largest resource flow

Second largest resource flow

Country	Loans	Other official flows	Remitt-ances	FDI	ODA	Total all int. resources	Share of ODA in resource mix
Somalia	-	-	-	107	920	1,027	89.6%
Afghanistan	-	-	574	91	6,110	6,775	90.2%
Burundi	20	-	46	2	546	613	89.1%
Malawi	74	-	21	124	1,049	1,268	82.7%
Burkina Faso	-	-	119	134	1,097	1,350	81.3%
Comoros	-	-	18	16	115	149	77.2%
Guinea-Bissau	1	-	43	15	175	235	74.5%
Central African Republic	17	-	-	64	230	311	74.0%
Rwanda	134	16	180	143	1,072	1,545	69.4%
Kenya	239	20	1,189	295	3,140	4,883	64.3%
Tanzania	586	11	72	1,096	2,990	4,755	62.9%
Congo, Dem. Rep.	144	-	4	2,810	4,245	7,203	58.9%
Benin	106	1	147	196	630	1,079	58.4%
Cote d'Ivoire	1,340	26	360	373	2,754	4,853	56.7%
Chad	70	11	-	309	486	876	55.5%
Mali	103	-	558	412	1,239	2,312	53.6%
Guinea	11	1	65	772	934	1,783	52.4%
Country	**Loans**	**Other official flows**	**Remitt-ances**	**FDI**	**ODA**	**Total all int. resources**	**Share of ODA in resource mix**
Ethiopia	1,847	31	598	1,098	3,534	7,107	49.7%
Togo	91	9	330	141	557	1,128	49.4%
Cameroon	239	31	141	413	702	1,527	46.0%

Uganda	185	20	849	1,306	1,687	4,047	41.7%
Haiti	271	2	1,635	172	1,363	3,441	39.6%
Niger	261	3	132	861	777	2,035	38.2%
Madagascar	50	6	-	820	519	1,394	37.2%
Sierra Leone	41	9	60	683	464	1,257	36.9%
Liberia	-	-	361	947	695	2,003	34.7%
Cambodia	99	6	197	1,298	861	2,461	35.0%
Zambia	791	2	64	1,297	1,067	3,221	33.1%
Senegal	472	53	1,483	309	1,077	3,394	31.7%
Sudan	483	22	406	1,353	1,090	3,353	32.5%
Lesotho	-	7	599	116	308	1,029	29.9%
Mozambique	433	-	182	4,559	2,211	7,386	29.9%
Zimbabwe	1,572	3	-	396	848	2,819	30.1%
Ghana	1,294	41	143	3,171	1,711	6,360	26.9%
Mauritania	-	101	-	1,042	390	1,533	25.4%
Bangladesh	954	288	13,082	1,115	2,888	18,327	15.8%
Pakistan	2,740	590	13,698	1,017	3,333	21,379	15.6%
Nepal	120	-	4,826	92	990	6,029	16.4%
Yemen	3,765	2	1,951		840	6,558	12.8%
Papua New Guinea	7,116	42	9		699	7,865	8.9%
Country	**Loans**	**Other official flows**	**Remitt-ances**	**FDI**	**ODA**	**Total all int. resources**	**Share of ODA in resource mix**
Nigeria	1,077	116	20,242	7,552	2,181	31,169	7.0%
Congo, Rep.	398	-	-	2,774	230	3,402	6.8%
Angola	5,616	-	-		292	5,908	4.9%
India	48,402	2,254	66,439	28,290	4,616	150,000	3.1%
South Sudan	-	-	-		1,373		

Table A4. Purpose codes for the water and sanitation sector

OECD DAC purpose codes:

140	Water and sanitation	Description
Systems support		
14010	Water sector policy and administrative management	Water sector policy and governance, including legislation, regulation, planning and management as well as trans-boundary management of water; institutional capacity development; activities supporting the Integrated Water Resource Management approach.
14015	Water resources conservation (including data collection)	Collection and usage of quantitative and qualitative data on water resources; creation and sharing of water knowledge; conservation and rehabilitation of inland surface waters (rivers, lakes etc.), ground water and coastal waters; prevention of water contamination.
Large systems		
14020	Water supply and sanitation - large systems	Programmes where components according to 14021 and 14022 cannot be identified. When components are known, they should individually be reported under their respective purpose codes: water supply [14021], sanitation [14022], and hygiene [12261].
14021	Water supply - large systems	Potable water treatment plants; intake works; storage; water supply pumping stations; large scale transmission / conveyance and distribution systems.
14022	Sanitation - large systems	Large scale sewerage including trunk sewers and sewage pumping stations; domestic and industrial waste water treatment plants.
Basic drinking and sanitation		
14030	Basic drinking water supply and basic sanitation	Programmes where components according to 14031 and 14032 cannot be identified. When components are known, they should individually be reported under their respective purpose codes: water supply [14031], sanitation [14032], and hygiene [12261].
14031	Basic drinking water	Rural water supply schemes using handpumps, spring catchments, gravity-fed systems, rainwater

	supply	collection and fog harvesting, storage tanks, small distribution systems typically with shared connections/points of use. Urban schemes using handpumps and local neighbourhood networks including those with shared connections.
14032	Basic sanitation	Latrines, on-site disposal and alternative sanitation systems, including the promotion of household and community investments in the construction of these facilities. (Use code 12261 for activities promoting improved personal hygiene practices.)
Systems support		
14040	River basins' development	Infrastructure focused integrated river basin projects and related institutional activities; river flow control; dams and reservoirs [excluding dams primarily for irrigation (31140) and hydropower (23065) and activities related to river transport (21040)].
Waste management and disposal		
14050	Waste management / disposal	Municipal and industrial solid waste management, including hazardous and toxic waste; collection, disposal and treatment; landfill areas; composting and reuse.
Systems support		
14081	Education and training in water supply and sanitation	Education and training for sector professionals and service providers.

Table A5. ODA to water and sanitation, volumes of commitments and disbursements, 2003–2013, US$

	Commitments US$ billions	Disbursements US$ billions	Disbursements as a share of commitments	Annual growth of commitments	Annual growth of disburse-ments
2003	4.4	2.6	58%		
2004	5.3	2.9	55%	20%	14%
2005	7.3	4.6	63%	37%	56%
2006	7.4	4.5	61%	2%	-1%
2007	7.4	4.4	59%	0%	-3%
2008	7.8	5.7	72%	5%	29%
2009	9.1	5.8	64%	16%	3%
2010	8.2	6.4	79%	-10%	11%
2011	8.1	6.4	79%	0%	0%
2012	10.5	6.5	62%	29%	1%
2013	9.7	6.6	68%	-8%	1%

Table A6. ODA to water and sanitation by region, 2003–2013, US$ millions

	Europe	North Africa	Sub-Saharan Africa	North and Central America	South America	Far East Asia	South and Central Asia	Middle East	Oceania
2003	157	182	804	154	87	499	308	255	10
2004	132	394	896	168	109	499	296	298	14
2005	126	383	1,083	261	124	644	470	1,320	13
2006	133	377	1,193	255	166	732	524	994	15
2007	143	277	1,366	158	203	790	472	725	17
2008	387	302	1,683	167	437	894	720	395	21
2009	343	362	1,739	426	412	1,076	677	440	27
2010	339	357	1,885	412	379	1,007	1,122	515	47
2011	237	368	1,968	244	589	1,085	1,172	370	61
2012	297	409	2,206	183	385	1,144	1,100	444	42
2013	289	239	2,353	211	325	1,167	1,155	416	57

Table A7. ODA to water and sanitation by sub-sector, 2003–2013, US$ millions

	Sub-sector			
	Large systems	Systems support	Basic drinking and sanitation	Waste management and disposal
2003	1,114	519	812	114
2004	1,387	561	841	130
2005	2,122	1,031	1,272	137
2006	2,275	979	1,149	125
2007	2,013	924	1,314	134
2008	2,767	1,352	1,376	163
2009	2,928	1,390	1,361	131
2010	3,394	1,379	1,402	270
2011	3,570	1,313	1,312	248
2012	3,212	1,528	1,455	319
2013	3,343	1,289	1,722	252

Table A8. ODA to water and sanitation, grants and loans, US$ billions

	Grants		Loans	
	Bilateral	Multilateral	Bilateral	Multilateral
2003	1.35	0.13	0.54	0.54
2004	1.59	0.19	0.60	0.54
2005	2.67	0.45	0.82	0.62
2006	2.33	0.55	1.04	0.61
2007	2.16	0.54	1.01	0.68
2008	2.29	0.68	1.82	0.85
2009	2.39	0.77	1.80	0.81
2010	2.61	0.80	1.89	1.02
2011	2.44	0.67	2.14	1.13
2012	2.45	0.78	1.84	1.39
2013	2.54	0.71	1.78	1.50

Table A9. ODA to water and sanitation by modality, 2003–2013, US$ millions

	Modality				
	Project-type interventions	**Core contributions and pooled programmes and funds**	**Experts and technical assistance**	**Sector budget support**	**In-donor country spending**
2003	453	-	-	91	-
2004	539	-	-	54	-
2005	627	-	-	65	-
2006	3,326	13	-	25	-
2007	3,027	41	-	63	0.01
2008	4,198	23	-	81	0.04
2009	4,077	79	204	81	1.2
2010	5,312	514	371	241	6.6
2011	5,297	532	359	251	5.3
2012	5,566	487	294	165	2.7
2013	5,603	564	287	149	2.4

Table A10. ODA to water and sanitation by channel of delivery, 2003–2013, US$ millions

	Public Sector	NGOs & civil society	Public-private partnerships	Multilateral organisations	Other/ undefined
2003	34	-	-	-	2,524
2004	88	12	-	20	2,798
2005	524	26	0.03	18	3,993
2006	1,595	95	16	138	2,684
2007	1,614	146	24	270	2,331
2008	2,108	223	16	677	2,633
2009	3,699	324	19	491	1,276
2010	4,125	387	17	528	1,388
2011	4,174	379	14	632	1,246
2012	4,970	439	17	518	570
2013	4,789	409	43	681	684

Table A11. ODA to water and sanitation, top 10 donors, 2011–2013, US$ millions and share of total aid from all donors

Donor	2003	Share of total aid	Donor	2004	Share of total aid	Donor	2005	Share of total aid	Donor	2006	Share of total aid
Japan	548	21.4%	Japan	601	20.6%	United States	1,301	28.5%	Japan	1000	22.1%
IDA	545	21.3%	IDA	593	20.3%	Japan	760	16.7%	United States	926	20.5%
Germany	408	15.9%	United States	390	13.4%	IDA	692	15.2%	IDA	617	13.6%
France	151	5.9%	Germany	355	12.2%	Germany	424	9.3%	EU Institutions	418	9.2%
United States	143	5.6%	France	161	5.5%	EU Institutions	297	6.5%	Germany	377	8.3%
Netherlands	102	4.0%	Spain	100	3.4%	France	195	4.3%	France	240	5.3%
United Kingdom	79	3.1%	Netherlands	97	3.3%	Netherlands	123	2.7%	Netherlands	155	3.4%
Spain	78	3.1%	EU Institutions	79	2.7%	Canada	85	1.9%	Denmark	111	2.5%
EU Institutions	66	2.6%	Denmark	66	2.3%	United Kingdom	84	1.8%	AfDF	96	2.1%
Switzerland	60	2.4%	United Kingdom	65	2.2%	Sweden	81	1.8%	Sweden	78	1.7%

Donor	2007	Share of total aid	Donor	2008	Share of total aid	Donor	2009	Share of total aid	Donor	2010	Share of total aid
Japan	985	22.4%	Japan	1,662	29.4%	Japan	1,617	27.8%	Japan	1,763	27.4%
IDA	660	15.0%	IDA	646	11.4%	IDA	645	11.1%	IDA	745	11.6%
United States	594	13.6%	Germany	541	9.6%	Germany	546	9.4%	Germany	593	9.2%
Germany	412	9.4%	Spain	515	9.1%	EU Institutions	504	8.7%	EU Institutions	502	7.8%
EU Institutions	353	8.0%	EU Institutions	452	8.0%	Spain	484	8.3%	United States	412	6.4%
Netherlands	254	5.8%	Netherlands	293	5.2%	United States	296	5.1%	Spain	322	5.0%
France	162	3.7%	United States	245	4.3%	France	272	4.7%	France	276	4.3%
AfDF	156	3.5%	AfDF	196	3.5%	Netherlands	212	3.6%	Australia	205	3.2%
United Kingdom	126	2.9%	Arab Fund (AFESD)	193	3.4%	AfDF	206	3.5%	Netherlands	194	3.0%
Spain	104	2.4%	France	178	3.2%	United Kingdom	124	2.1%	AfDF	183	2.8%

Donor	2011	Share of total aid	Donor	2012	Share of total aid	Donor	2013	Share of total aid			
Japan	1,780	27.6%	Japan	1,544	23.7%	Japan	1,568	23.7%			
Germany	646	10.0%	IDA	864	13.3%	IDA	889	13.5%			
EU Institutions	614	9.5%	EU Institutions	643	9.9%	Germany	617	9.3%			
IDA	600	9.3%	Germany	579	8.9%	EU Institutions	540	8.2%			
United States	399	6.2%	France	488	7.5%	United States	436	6.6%			
France	381	5.9%	United States	387	5.9%	France	338	5.1%			
Australia	229	3.6%	AfDF	172	2.6%	AfDF	266	4.0%			
Netherlands	228	3.5%	United Kingdom	171	2.6%	AsDB Special Funds	260	3.9%			
AsDB Special Funds	186	2.9%	Netherlands	169	2.6%	United Kingdom	216	3.3%			
United Kingdom	177	2.7%	Australia	167	2.6%	Australia	185	2.8%			

Table A12. ODA to water and sanitation, top 10 recipient countries, 2011–2013, US$ millions

2013			2012			2011		
Recipient	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**
Viet Nam	469	7.1%	India	430	6.6%	India	441	6.9%
India	439	6.7%	Viet Nam	383	5.9%	Viet Nam	310	4.8%
China	240	3.6%	China (People's Republic of)	230	3.5%	China (People's Republic of)	250	3.9%
Kenya	176	2.7%	Morocco	229	3.5%	Brazil	244	3.8%
Ethiopia	176	2.7%	Tanzania	218	3.3%	Peru	221	3.4%
Mozambique	172	2.6%	Ethiopia	189	2.9%	Indonesia	203	3.2%
Tanzania	171	2.6%	Indonesia	179	2.8%	Bangladesh	186	2.9%
Malaysia	151	2.3%	Malaysia	178	2.7%	Morocco	165	2.6%
Dem. Rep. Congo	149	2.3%	Kenya	177	2.7%	Tanzania	161	2.5%
Indonesia	148	2.2%	Bangladesh	168	2.6%	Malaysia	154	2.4%

2010			2009			2008		
Recipient	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**
India	430	6.7%	China (People's Republic of)	387	6.7%	India	338	6.0%
Viet Nam	300	4.7%	Viet Nam	304	5.2%	China (People's Republic of)	286	5.0%
China (People's Republic of)	277	4.3%	India	251	4.3%	Viet Nam	261	4.6%
Peru	247	3.8%	Tanzania	196	3.4%	Turkey	221	3.9%
Tanzania	218	3.4%	Turkey	169	2.9%	Brazil	183	3.2%
Indonesia	205	3.2%	Indonesia	153	2.6%	Peru	171	3.0%
Bangladesh	182	2.8%	Jordan	147	2.5%	Tanzania	158	2.8%
Iraq	165	2.6%	Peru	129	2.2%	Mauritania	137	2.4%
Morocco	147	2.3%	Egypt	128	2.2%	Ghana	120	2.1%
Kenya	147	2.3%	Malaysia	123	2.1%	Morocco	120	2.1%

2007			2006			2005		
Recipient	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**
Iraq	458	10.4%	Iraq	700	15.5%	Iraq	1024	22%
China (People's Republic of)	338	7.7%	China (People's Republic of)	258	5.7%	China (People's Republic of)	375	8%
India	208	4.7%	Malaysia	230	5.1%	India	162	4%
Viet Nam	190	4.3%	India	190	4.2%	Jordan	152	3%
Tanzania	153	3.5%	Morocco	183	4.0%	Morocco	140	3%
Ghana	119	2.7%	Mexico	124	2.7%	Mexico	129	3%
Jordan	118	2.7%	Jordan	118	2.6%	Viet Nam	104	2%
Malaysia	110	2.5%	Tunisia	109	2.4%	Uganda	100	2%
Morocco	92	2.1%	Tanzania	102	2.3%	Egypt	94	2%
Tunisia	90	2.0%	Uganda	91	2.0%	Tunisia	86	2%

2004			2003		
Recipient	**Volume, US$ millions**	**Share of total aid to the sector**	**Recipient**	**Volume, US$ millions**	**Share of total aid to the sector**
Egypt	266	9.1%	China (People's Republic of)	228	8.9%
China (People's Republic of)	239	8.2%	India	110	4.3%
Jordan	105	3.6%	Viet Nam	102	4.0%
India	102	3.5%	Jordan	93	3.6%
Senegal	89	3.1%	Egypt	90	3.5%
Morocco	87	3.0%	West Bank and Gaza Strip	80	3.1%
Viet Nam	84	2.9%	Tanzania	76	3.0%
Iraq	83	2.8%	Turkey	75	2.9%
Uganda	69	2.4%	Uganda	74	2.9%
Ghana	61	2.1%	Morocco	61	2.4%

Table A13. ODA to water and sanitation to 45 priority countries, volumes, US$ millions

Country	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Afghanistan	11.3	28.9	75.6	34.5	25.6	51.4	64.7	61.0	106.0	71.4	81.1
Angola	10.0	12.2	19.3	16.0	43.2	22.0	15.0	8.8	10.4	26.1	23.0
Bangladesh	23.5	20.9	27.1	39.7	52.1	54.0	77.6	182.3	185.6	167.9	145.5
Benin	16.3	45.2	53.6	41.8	52.6	60.7	53.5	70.3	47.9	42.5	56.6
Burkina Faso	51.0	59.2	71.5	88.6	83.3	87.1	58.4	66.3	114.0	99.8	90.9
Burundi	4.8	5.1	6.4	8.2	13.3	15.6	19.4	32.1	30.1	22.3	20.8
Cambodia	44.2	26.9	22.6	15.0	16.5	22.2	15.5	29.6	46.3	58.8	56.9
Cameroon	4.4	5.8	4.3	3.2	4.8	18.4	6.8	18.3	36.5	19.7	16.7
Central African Republic	0.3	0.2	0.4	0.9	1.9	3.0	9.6	5.4	7.8	6.7	7.0
Chad	21.1	15.8	19.3	21.6	19.0	24.2	28.0	34.6	25.1	24.6	19.2
Comoros	1.4	0.7	1.3	1.4	1.7	1.3	1.4	0.8	2.2	2.9	3.4
Congo	7.9	3.1	3.5	2.1	1.4	1.8	0.4	2.1	4.0	3.2	9.3
Côte d'Ivoire	3.8	5.1	3.2	1.2	4.5	7.8	30.5	37.1	28.5	38.3	18.8
Democratic Republic of the Congo	5.5	10.4	24.4	26.1	27.6	43.9	66.5	101.7	68.0	100.3	148.7
Ethiopia	35.1	33.8	31.9	50.6	75.2	86.8	120.1	121.6	145.6	188.7	175.8
Ghana	54.9	61.3	71.4	78.2	118.5	119.7	58.1	91.9	47.1	95.8	59.4
Guinea	30.9	27.5	25.2	19.9	16.8	14.2	11.6	10.0	8.5	5.6	8.6
Guinea-Bissau	6.8	3.9	2.5	2.4	3.4	2.9	2.6	1.0	4.3	5.4	3.9
Haiti	3.4	3.4	6.1	6.9	7.3	14.9	113.8	32.4	32.2	29.5	23.0
India	110.1	101.7	161.8	190.4	208.0	338.1	251.0	430.5	441.5	429.8	439.3
Kenya	28.2	33.0	37.1	41.0	53.7	99.6	95.3	146.5	150.5	176.9	176.0
Lesotho	9.7	5.9	7.1	5.2	8.8	17.5	23.0	37.2	52.1	73.3	98.6
Liberia	0.0	0.3	0.9	0.5	0.6	4.3	8.5	7.7	4.1	9.3	20.6
Madagascar	19.4	24.0	27.9	15.9	13.7	17.4	12.5	10.0	19.0	16.4	25.4
Malawi	36.8	19.4	17.3	10.9	17.0	14.6	16.6	23.1	33.3	66.3	96.0
Mali	20.6	25.1	36.7	39.4	40.2	45.2	69.1	49.6	43.1	29.2	48.9
Mauritania	13.4	6.7	4.2	8.5	10.0	136.6	86.4	81.5	38.1	42.9	20.7
Mozambique	45.6	39.4	74.9	56.3	75.7	77.9	93.6	97.7	110.0	152.7	172.0

Country	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Nepal	41.0	15.7	9.4	24.5	5.8	15.0	11.6	46.1	38.9	44.9	68.5
Niger	32.5	48.4	46.3	44.1	26.2	38.5	42.5	39.3	31.0	26.0	40.0
Nigeria	12.7	22.2	40.0	56.0	85.2	108.9	105.5	113.3	109.1	108.1	143.7
Pakistan	15.1	8.6	26.8	44.5	52.6	23.1	33.2	68.4	77.5	82.7	48.3
Papua New Guinea	4.0	8.0	2.5	3.9	3.4	4.6	1.1	14.7	7.3	11.5	2.4
Rwanda	6.0	21.0	27.8	32.8	41.3	38.5	20.0	36.8	31.5	30.6	38.5
Senegal	52.0	89.4	66.9	47.0	79.7	76.0	60.6	49.8	106.0	70.2	61.1
Sierra Leone	2.4	3.3	8.1	5.8	14.0	12.7	10.3	10.9	15.2	28.3	43.5
Somalia	1.8	1.4	1.7	4.3	2.7	1.9	5.4	3.1	6.7	11.0	7.6
South Sudan	..	..	..	..	..	..	..	..	17.6	22.4	30.0
Sudan	2.0	1.7	12.6	18.9	21.8	22.0	37.8	63.9	25.4	27.2	37.6
Tanzania	75.7	40.8	62.5	102.2	153.3	157.7	195.7	217.9	161.4	218.1	170.7
Togo	6.7	7.1	1.3	1.3	1.4	2.8	5.2	4.6	6.0	9.5	10.1
Uganda	73.7	69.4	99.7	91.0	89.5	63.8	108.7	62.0	56.2	84.0	82.9
Yemen	28.1	27.6	71.5	58.7	63.8	63.0	50.9	46.1	22.4	29.9	58.8
Zambia	47.1	59.2	59.9	58.9	54.2	38.4	50.9	39.8	45.0	72.8	98.8
Zimbabwe	2.2	0.8	1.3	1.9	0.3	11.6	8.8	17.5	34.5	64.1	55.1

Table A14. ODA to water and sanitation by sub-sector to 45 priority countries, 2003–2013, US$ millions

Large systems											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Angola	2	5	5	5	5	6	7	3	5	20	14
Benin	12	12	17	6	16	7	8	18	15	9	3
Burkina Faso	34	36	32	37	24	9	21	22	59	31	22
Burundi	2	2	3	3	4	1	2	11	7	8	7
Cameroon	1	1	1	1	1	2	3	9	24	15	7
Central African Republic	0	0	0	0	1	2	5	1	5	4	5
Chad	7	4	3	2	1	1	8	12	15	7	1
Comoros	0	0	0	0	1	0	0	0	2	2	0
Congo	4	2	2	1	1	1	0	1	3	1	7
Côte d'Ivoire	2	4	3	0	2	3	21	23	23	25	6
Democratic Republic of the Congo	4	9	22	20	21	33	37	52	48	65	91
Ethiopia	12	15	14	16	40	35	36	56	43	59	107
Ghana	16	19	25	26	24	62	13	49	24	51	19
Guinea	10	8	8	7	5	5	5	2	1	1	0
Guinea-Bissau	3	1	1	1	1	1	1	0	2	3	2
Kenya	17	11	3	9	18	36	32	82	95	87	97
Lesotho	2	2	2	1	5	13	15	29	43	42	53
Liberia	0	0	0	0	0	0	0	3	2	6	13
Madagascar	12	13	12	3	4	6	1	6	10	8	16
Malawi	16	8	5	4	10	5	9	11	24	33	45
Mali	8	8	12	8	15	6	36	12	17	12	17
Mauritania	2	1	0	2	4	118	81	67	34	34	12
Mozambique	21	14	21	19	37	43	57	40	63	97	129
Niger	8	15	11	9	4	13	7	17	13	11	19
Nigeria	3	8	12	23	27	38	51	48	30	45	61
Rwanda	1	8	13	17	23	12	15	33	5	9	5
Senegal	19	45	32	15	42	16	19	21	67	44	37
Sierra Leone	0	1	3	2	1	3	2	1	1	2	16
Somalia	0	0	0	0	0	0	2	1	0	7	0
South Sudan	0	0	0	0	0	0	0	0	11	14	13
Sudan	0	0	0	1	1	12	16	21	7	3	17
Tanzania	38	17	19	37	47	55	110	125	121	150	120
Togo	4	2	0	0	0	0	0	1	1	1	2
Uganda	34	33	48	40	35	35	42	10	17	30	51

Large systems											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Zambia	15	11	23	20	26	15	17	20	20	53	72
Zimbabwe	0	0	0	0	0	0	0	4	6	24	0
Haiti	2	2	2	1	1	3	3	13	18	18	11
Cambodia	6	4	4	5	8	16	9	17	24	39	29
Afghanistan	2	10	27	15	5	6	18	24	41	22	48
Bangladesh	6	3	2	2	8	12	26	74	75	81	62
India	28	19	23	46	76	252	206	330	325	301	311
Nepal	10	1	2	18	17	12	9	38	25	23	11
Pakistan	6	5	9	22	30	9	13	48	45	62	25
Yemen	13	15	30	22	24	24	19	17	17	8	15
Papua New Guinea	4	8	2	2	1	1	1	3	2	5	0

Basic drinking and sanitation											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Angola	6	4	9	7	27	16	6	4	3	3	5
Benin	3	32	30	27	31	42	35	37	22	21	40
Burkina Faso	15	18	30	43	42	36	26	33	45	52	58
Burundi	2	2	3	4	7	9	6	15	19	9	6
Cameroon	4	4	3	2	3	16	2	8	12	2	7
Central African Republic	0	0	0	0	0	0	1	2	2	1	1
Chad	4	3	7	12	16	20	19	23	10	16	17
Comoros	0	0	1	1	1	1	1	0	0	0	3
Congo	4	2	1	1	1	1	0	0	1	0	1
Côte d'Ivoire	1	1	0	1	2	2	3	3	0	2	7
Democratic Republic of the Congo	0	1	2	3	6	9	15	44	18	33	54
Ethiopia	13	6	9	22	29	42	68	49	87	76	44
Ghana	26	27	35	25	80	37	37	35	18	35	33
Guinea	20	18	14	8	7	6	5	6	6	4	6
Guinea-Bissau	4	3	1	2	2	1	1	1	1	2	1
Kenya	9	17	18	12	19	37	37	47	37	42	22
Lesotho	3	3	4	4	4	4	5	2	6	22	24
Liberia	0	0	0	0	1	4	8	5	2	0	1
Madagascar	7	11	16	11	8	7	8	4	6	7	6
Malawi	21	11	12	6	5	7	3	3	6	18	26
Mali	9	15	22	26	22	28	23	32	17	12	24
Mauritania	10	4	2	3	3	16	5	5	2	9	8
Mozambique	18	15	27	13	17	16	16	16	29	36	22

Basic drinking and sanitation											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Niger	16	23	20	19	15	17	24	17	14	10	13
Nigeria	9	13	16	27	27	32	31	36	44	33	45
Rwanda	5	12	14	15	18	26	4	3	14	10	10
Senegal	29	42	27	27	27	42	29	17	26	21	14
Sierra Leone	1	2	4	3	10	8	7	9	12	10	4
Somalia	1	1	1	4	2	2	3	2	6	3	7
South Sudan	0	0	0	0	0	0	0	0	5	6	12
Sudan	1	1	11	16	20	8	15	16	10	15	13
Tanzania	36	21	37	44	69	63	32	39	27	32	32
Togo	1	1	1	1	1	1	4	4	5	8	7
Uganda	35	32	45	41	30	14	58	22	11	27	9
Zambia	23	33	22	14	15	14	19	12	15	12	14
Zimbabwe	1	0	1	0	0	9	8	13	29	38	53
Haiti	1	1	3	3	4	7	107	10	11	7	9
Cambodia	20	6	15	7	6	5	5	11	14	15	21
Afghanistan	6	15	23	9	10	10	20	10	25	39	27
Bangladesh	9	8	9	9	33	25	26	49	58	40	48
India	45	42	61	86	95	59	24	54	85	96	91
Nepal	28	13	4	5	9	3	1	5	4	9	45
Pakistan	6	3	15	19	19	11	18	15	14	8	12
Yemen	11	7	29	26	26	28	17	10	3	15	19
Papua New Guinea	0	0	0	2	2	3	0	12	5	6	2

Systems support											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Angola	2	4	5	4	11	1	2	1	3	4	4
Benin	0	0	2	6	4	8	7	11	8	10	9
Burkina Faso	3	5	9	8	18	43	11	11	9	17	12
Burundi	1	1	1	1	2	5	12	5	5	6	8
Cameroon	0	1	0	0	1	0	2	1	0	2	3
Central African Republic	0	0	0	1	1	0	0	1	0	0	1
Chad	11	9	9	7	3	3	1	0	0	2	1
Comoros	1	0	0	0	0	0	0	0	0	1	0
Congo	0	0	0	0	0	0	0	1	0	3	1
Côte d'Ivoire	1	0	0	0	0	1	3	5	2	5	4
Democratic Republic of the Congo	1	0	0	4	1	2	15	5	2	2	4
Ethiopia	6	13	8	12	6	10	17	17	16	48	25

Systems support											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Ghana	13	15	12	18	14	21	8	9	5	8	6
Guinea	0	0	3	5	5	3	1	1	1	0	1
Guinea-Bissau	0	0	0	0	0	0	1	0	1	1	0
Kenya	2	5	16	19	16	27	24	15	16	47	52
Lesotho	4	1	2	1	0	0	3	6	4	10	22
Liberia	0	0	0	0	0	0	0	0	0	2	5
Madagascar	0	0	0	2	1	4	3	0	3	1	3
Malawi	0	0	0	1	3	3	4	9	3	15	24
Mali	4	3	2	4	3	11	10	6	9	5	8
Mauritania	2	2	2	3	2	2	1	9	2	0	1
Mozambique	7	10	26	24	20	18	19	40	18	18	19
Niger	8	11	16	16	7	8	11	6	5	4	8
Nigeria	1	1	12	6	24	34	19	24	28	17	29
Rwanda	1	1	0	0	0	0	1	1	12	11	23
Senegal	3	2	8	5	10	16	11	11	12	5	11
Sierra Leone	1	0	1	1	2	1	1	0	1	16	23
Somalia	1	0	1	0	0	0	0	0	0	0	0
South Sudan	0	0	0	0	0	0	0	0	0	0	1
Sudan	1	1	1	2	1	2	6	27	9	10	6
Tanzania	1	2	6	21	37	39	54	54	14	36	19
Togo	1	4	0	0	1	1	1	0	0	0	1
Uganda	4	4	6	10	25	15	8	30	27	24	20
Zambia	6	10	11	16	12	9	15	8	9	8	13
Zimbabwe	1	0	0	2	0	2	0	0	0	1	1
Haiti	0	0	1	3	3	4	3	10	3	3	2
Cambodia	16	15	3	2	1	1	2	1	7	5	7
Afghanistan	2	5	26	11	11	35	26	27	39	10	7
Bangladesh	8	8	13	26	10	14	24	24	32	24	33
India	35	40	77	56	35	24	20	36	17	26	29
Nepal	2	0	0	1	-20	0	2	2	9	13	12
Pakistan	3	1	2	3	3	3	2	6	18	11	10
Yemen	4	5	12	11	13	11	14	18	2	6	24
Papua New Guinea	0	0	0	0	0	0	0	0	0	1	0

Waste management and disposal											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Angola	0	0	0	0	0	0	0	0	0	0	0
Benin	1.3	0.6	5.1	2.8	1.6	3.2	3.2	4.9	1.7	2.6	4.5
Burkina Faso	0	0	0	0.1	0.1	0	0.7	0	0.8	0.1	0.1
Burundi	0	0	0	0	0	0	0	0	0	0	0
Cameroon	0	0.1	0	0	0	0	0	0.1	0.1	0.4	0.5
Central African Republic	0.1	0	0	0	0.2	0.6	3.1	1.1	0.8	1.8	0.3
Chad	0	0	0.2	0.2	0	0	0	0	0	0	0
Comoros	0	0	0	0	0	0	0	0	0	0	0
Congo	0	0	0	0	0	0	0	0	0	0	0
Côte d'Ivoire	0	0	0	0	0	1.0	2.9	5.9	2.6	5.6	1.4
Democratic Republic of the Congo	0	0	0.1	0.2	0.2	0	0.3	0	0.2	0.1	0
Ethiopia	3.4	0.5	0.4	0.6	0	0	0	0	0	5.8	0
Ghana	0.2	0.1	0.1	9.1	0	0	0.1	0.1	0	0.6	1.1
Guinea	1.0	1.0	1.0	0.1	0.1	0.3	0.1	0	0.3	0.5	0.9
Guinea-Bissau	0	0	0.2	0.1	0.3	0.1	0	0	0.8	0	0.6
Kenya	0.3	0.2	0.1	0	0.1	0.1	2.1	1.8	2.1	1.9	4.8
Lesotho	0	0	0	0.1	0.1	0.1	0.3	0.1	0	0	0
Liberia	0	0	0.6	0.1	0	0.2	0.1	0	0	0.7	1.7
Madagascar	0	0	0	0	0	0	0	0	0	0.1	0.5
Malawi	0	0	0.1	0	0	0	0	0.1	0.1	0	0
Mali	0	0.1	1.2	2.1	0.6	0.2	0.2	0.2	0.3	0.1	0
Mauritania	0	0	0	0.3	0.3	0	0.2	0.1	0.2	0.2	0
Mozambique	0.7	0	0.7	0.8	1.0	1.2	1.3	1.8	0.4	1.4	2.1
Niger	0	0	0	0	0	0	0	0	0	0.1	0
Nigeria	0.1	0	0.1	0	6.7	4.9	4.8	4.7	6.9	12.3	9.4
Rwanda	0	0	0	0	0	0.1	0.1	0.3	0.5	0.5	0.4
Senegal	0.2	0.3	0.3	0.5	1.4	1.8	0.9	0.4	0.8	0.6	0.1
Sierra Leone	0	0.3	0.2	0.3	0.1	0.7	0.5	0.4	0.2	0	0
Somalia	0	0	0	0	0	0	0	0	0	0.4	0
South Sudan	0	0	0	0	0	0	0	0	1.5	2.0	3.2
Sudan	0	0	0	0	0	0	0	0.1	0.3	0.3	0.2
Tanzania	0	0	0.3	0	0	0	0.1	0.1	0.1	0.1	0.2
Togo	0	0	0	0	0	0.2	0.1	0.1	0	0	0
Uganda	0.7	0.8	0	0	0	0.2	0.3	0.5	1.4	2.7	2.7
Zambia	2.6	4.5	3.6	9.4	1.1	0	0	0	0	0	0.2
Zimbabwe	0.4	0	0	0	0.1	0	0	0	0.2	1.2	1.5
Haiti	0.2	0.3	0.4	0.4	0	0.4	1.0	0.8	0.2	0.7	0.3

Waste management and disposal											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cambodia	2.3	1.7	0.7	0.5	1.8	0.8	0.3	0.5	0.4	0.3	0.2
Afghanistan	0.4	0	0	0	0	0.1	0.3	0	0	0.3	0.1
Bangladesh	0.1	1.4	3.5	3.5	1.1	2.0	1.8	35.2	20.8	22.1	2.2
India	2.3	1.2	1.4	2.2	1.3	2.4	1.6	9.4	14.2	5.9	8.6
Nepal	0.5	0.9	2.8	1.1	0.4	0.1	0.1	0.7	0.8	0.8	0.6
Pakistan	0	0	0.1	0.3	0	0.4	0.1	0.1	0	0.9	1.3
Yemen	0.8	0.9	1.0	0.8	1.3	0.9	1.2	1.6	0.9	0.1	0.2
Papua New Guinea	0.1	0	0	0	0	0	0.1	0	0	0	0.1

Table A15. ODA grants to water and sanitation, US$ millions, and grants as a percentage of ODA to water and sanitation to priority countries

	2003		2004		2005		2006		2007		2008	
	Grants	%	Grants	%	Grants	%	Grants	%	Grants	%	Grants	%
Angola	8	80%	5	45%	8	41%	10	61%	40	93%	18	80%
Benin	13	78%	40	89%	50	94%	37	89%	51	96%	52	86%
Burkina Faso	20	39%	31	52%	37	52%	47	53%	50	61%	45	52%
Burundi	1	27%	2	31%	3	51%	7	80%	13	94%	15	97%
Cameroon	4	100%	6	100%	4	100%	3	100%	5	100%	17	93%
Central African Republic	0	100%	0	100%	0	100%	1	100%	2	100%	3	100%
Chad	15	70%	8	54%	12	60%	16	74%	17	90%	22	91%
Comoros	1	40%	0	24%	1	39%	1	39%	0	25%	1	73%
Congo	0	0%	2	59%	1	40%	1	57%	1	84%	1	55%
Côte d'Ivoire	1	22%	0	2%	0	4%	1	74%	1	19%	6	78%
Democratic Republic of the Congo	3	49%	5	47%	11	46%	14	52%	18	64%	35	81%
Ethiopia	30	85%	31	92%	21	67%	41	81%	52	70%	75	87%
Ghana	33	61%	42	68%	56	79%	44	56%	91	77%	76	64%
Guinea	10	34%	8	29%	12	48%	18	91%	17	100%	13	92%
Guinea-Bissau	3	38%	2	43%	1	23%	1	57%	1	37%	2	73%
Kenya	24	86%	30	92%	28	75%	34	83%	34	63%	47	48%
Lesotho	9	98%	6	97%	6	81%	4	74%	7	77%	16	91%
Liberia	0	100%	0	100%	1	100%	0	100%	1	100%	4	100%
Madagascar	8	42%	10	43%	8	30%	7	41%	2	16%	5	31%
Malawi	15	41%	11	55%	12	68%	6	59%	10	60%	13	88%
Mali	10	47%	14	55%	26	72%	33	85%	27	68%	42	93%
Mauritania	13	96%	7	100%	4	87%	8	89%	6	64%	7	5%
Mozambique	35	76%	23	58%	26	35%	29	52%	47	62%	54	69%
Niger	13	39%	18	37%	27	57%	35	80%	25	97%	38	100%
Nigeria	7	52%	8	34%	19	47%	17	30%	30	35%	37	34%
Rwanda	4	73%	15	72%	19	67%	25	75%	32	77%	33	86%
Senegal	10	19%	12	13%	19	29%	23	50%	22	28%	26	34%
Sierra Leone	2	73%	1	36%	1	15%	1	20%	11	80%	6	48%
Somalia	2	100%	1	100%	2	100%	4	100%	3	100%	2	100%
South Sudan	..		..		..		..		..		..	
Sudan	2	100%	2	100%	13	100%	19	100%	21	96%	22	100%
Tanzania	42	55%	20	50%	33	52%	64	63%	71	46%	89	57%
Togo	7	100%	7	100%	1	100%	1	100%	1	100%	3	105%
Uganda	23	31%	62	89%	90	91%	75	82%	62	69%	58	90%
Zambia	27	58%	38	64%	37	62%	40	69%	38	70%	30	77%
Zimbabwe	2	100%	1	100%	1	100%	2	100%	0	100%	12	100%
Haiti	3	100%	3	100%	5	78%	7	94%	7	100%	15	100%
Cambodia	34	78%	23	84%	20	89%	12	78%	9	54%	8	34%

	2003		2004		2005		2006		2007		2008	
	Grants	%	Grants	%	Grants	%	Grants	%	Grants	%	Grants	%
Afghanistan	11	100%	28	98%	76	100%	35	100%	25	97%	50	97%
Bangladesh	21	89%	18	86%	25	94%	38	95%	52	100%	53	98%
India	63	57%	48	48%	69	43%	47	25%	51	24%	38	11%
Nepal	23	56%	15	98%	8	83%	13	52%	0	-7%	8	57%
Pakistan	8	53%	3	35%	17	62%	18	40%	43	82%	10	45%
Yemen	14	51%	19	69%	36	51%	28	47%	31	49%	26	41%
Papua New Guinea	4	100%	8	100%	2	100%	4	100%	3	100%	5	100%

Year	**2009**		**2010**		**2011**		**2012**		**2013**	
	Grants	%	Grants	%	Grants	%	Grants	%	Grants	%
Angola	8	55%	6	74%	6	62%	11	43%	10	45%
Benin	46	85%	49	70%	38	80%	36	84%	38	68%
Burkina Faso	49	83%	52	78%	80	70%	80	80%	83	92%
Burundi	19	98%	31	98%	30	99%	22	100%	21	100%
Cameroon	4	66%	11	61%	16	45%	8	38%	7	43%
Central African Republic	10	100%	5	100%	7	90%	5	80%	7	98%
Chad	27	98%	34	100%	25	100%	25	100%	19	99%
Comoros	1	91%	1	100%	2	100%	3	100%	3	100%
Congo	0	-42%	1	32%	3	86%	2	72%	7	77%
Côte d'Ivoire	29	93%	35	94%	28	97%	37	96%	17	91%
Democratic Republic of the Congo	64	96%	101	100%	66	97%	99	99%	145	97%
Ethiopia	85	71%	99	81%	119	82%	89	47%	92	53%
Ghana	32	55%	41	44%	30	63%	43	45%	45	75%
Guinea	12	100%	10	100%	8	90%	5	95%	3	33%
Guinea-Bissau	2	94%	1	128%	4	100%	5	100%	4	100%
Kenya	43	45%	51	35%	61	40%	83	47%	44	25%
Lesotho	17	75%	31	84%	46	88%	61	83%	89	90%
Liberia	9	100%	8	100%	4	100%	9	93%	19	92%
Madagascar	6	46%	6	57%	13	67%	11	65%	13	50%
Malawi	14	84%	14	60%	21	62%	44	66%	50	52%
Mali	47	68%	43	87%	32	74%	21	71%	42	87%
Mauritania	5	5%	10	12%	3	8%	9	22%	9	41%
Mozambique	80	85%	88	90%	89	81%	119	78%	136	79%
Niger	42	100%	27	69%	25	79%	21	80%	26	66%
Nigeria	27	25%	33	29%	47	43%	28	26%	39	27%
Rwanda	20	98%	36	99%	27	87%	20	64%	19	49%
Senegal	40	65%	34	69%	61	58%	37	52%	22	36%
Sierra Leone	8	76%	9	80%	14	91%	27	95%	36	82%
Somalia	5	100%	3	100%	7	100%	11	100%	8	100%

Year	2009		2010		2011		2012		2013	
	Grants	%	Grants	%	Grants	%	Grants	%	Grants	%
South Sudan					18	100%	22	100%	30	100%
Sudan	33	87%	42	65%	18	72%	24	89%	36	95%
Tanzania	96	49%	91	42%	88	55%	117	53%	79	47%
Togo	5	100%	5	100%	6	100%	9	98%	10	97%
Uganda	75	69%	51	81%	48	86%	64	76%	55	66%
Zambia	41	80%	35	87%	40	89%	50	69%	63	63%
Zimbabwe	9	100%	17	100%	34	100%	64	100%	55	100%
Haiti	106	93%	24	73%	31	95%	30	100%	23	100%
Cambodia	10	67%	13	43%	18	40%	18	30%	29	52%
Afghanistan	61	94%	59	96%	105	99%	71	100%	78	96%
Bangladesh	69	89%	133	73%	107	58%	60	36%	56	38%
India	20	8%	20	5%	21	5%	25	6%	24	5%
Nepal	11	99%	24	52%	24	63%	30	67%	36	53%
Pakistan	26	77%	59	86%	64	82%	65	79%	31	63%
Yemen	36	71%	31	67%	14	62%	27	91%	54	91%
Papua New Guinea	1	100%	15	100%	7	99%	11	99%	2	96%

Table A16. ODA to water and sanitation by modality to 45 priority countries, 2003–2013, US$ millions

Modality	Project-type interventions	Core contributions and pooled programmes and funds	Experts and technical assistance	Budget support
2003	333	0	0	80
2004	394	0	0	46
2005	486	0	0	61
2006	899	0	0	24
2007	1,045	3	0	63
2008	1,367	25	0	70
2009	1,365	9	56	63
2010	2,233	11	106	106
2011	2,278	180	111	53
2012	2,592	192	101	39
2013	2,692	216	102	52

Table A17. ODA to water and sanitation by channel of delivery to 45 priority countries, 2003–2013, US$ millions

	Public sector	NGOs & civil society	Public-private partnerships	Multilateral organisations	Other/ to be defined
2003	31	-	-	-	992
2004	57	6	-	1	984
2005	136	11	-	2	1,175
2006	564	44	1	25	761
2007	756	77	1	70	797
2008	864	97	1	88	977
2009	1,141	181	1	125	631
2010	1,543	192	2	165	629
2011	1,573	229	2	232	475
2012	2,288	278	5	165	78
2013	2,373	244	13	228	75

Table A18. ODA to water and sanitation, top 10 donors to priority countries, 2011–2013, US$ millions

Donor	2011	2012	2013
IDA	600	864	889
Japan	549	622	598
EU Institutions	640	643	565
AfDF (African Dev.Fund)	176	172	266
AsDB Special Funds	186	157	260
United States	192	213	259
Germany	172	172	168
United Kingdom	134	144	151
France	137	171	130
Netherlands	98	71	102
Arab Fund (AFESD)	94	82	83
IDB Sp.Fund	54	153	66
Denmark	76	52	63
Australia	55	50	57
Switzerland	34	39	47
OFID	29	34	41
Canada	19	32	41
Finland	20	31	27
BADEA	17	19	25
Korea	17	51	24
United Arab Emirates	14	9	24
UNICEF	23	19	23
Sweden	10	32	16
Belgium	26	24	15
GEF	4	12	11
Norway	6	11	8
Austria	10	7	8
Kuwait (KFAED)	11	9	5
Luxembourg	10	8	5
Spain	16	7	5
Italy	8	6	4
UNECE	3	2	4
UNDP	3	4	3
AfDB (African Dev. Bank)	2	2	2
Global Green Growth Institute (GGGI)	0	0	1

Table A19. ODA to water and sanitation, top donor to each priority country, 2011–2013

	2011	2012	2013
Afghanistan	United States	Germany	Japan
Angola	EU Institutions	IDA	IDA
Bangladesh	AsDB Special Funds	AsDB Special Funds	Japan
Benin	Netherlands	Germany	Netherlands
Burkina Faso	EU Institutions	EU Institutions	EU Institutions
Burundi	Germany	Germany	Germany
Cambodia	Japan	Japan	Japan
Cameroon	France	France	IDA
Central African Republic	EU Institutions	IDA	France
Chad	EU Institutions	EU Institutions	EU Institutions
Comoros	AfDF	France	France
Congo	AfDF	AfDF	AfDF
Côte d'Ivoire	EU Institutions	IDA	EU Institutions
Democratic Republic of the Congo	Germany	Japan	EU Institutions
Ethiopia	United Kingdom	IDA	IDA
Ghana	IDA	IDA	IDA
Guinea	Germany	IDA	BADEA
Guinea-Bissau	EU Institutions	IDA	EU Institutions
Haiti	IDB Sp.Fund	IDB Sp.Fund	IDB Sp.Fund
India	Japan	Japan	Japan
Kenya	IDA	France	IDA
Lesotho	United States	United States	United States
Liberia	United States	United States	United States
Madagascar	United States	United States	AfDF
Malawi	EU Institutions	IDA	IDA
Mali	AfDF	Denmark	Canada
Mauritania	Arab Fund	Arab Fund	Arab Fund
Mozambique	United States	United States	United States
Nepal	AsDB Special Funds	AsDB Special Funds	AsDB Special Funds
Niger	France	IDA	IDA
Nigeria	IDA	IDA	IDA
Pakistan	Japan	Japan	Japan
Papua New Guinea	EU Institutions	EU Institutions	Australia
Rwanda	IDA	IDA	IDA
Senegal	EU Institutions	IDA	IDA
Sierra Leone	United Kingdom	United Kingdom	United Kingdom
Somalia	United Arab Emirates	EU Institutions	EU Institutions
South Sudan	United States	Finland	Finland
Sudan	United Kingdom	Japan	Japan

	2011	2012	2013
Tanzania	AfDF	IDA	AfDF
Togo	France	Japan	Japan
Uganda	Denmark	EU Institutions	Germany
Yemen	Germany	Germany	Germany
Zambia	Denmark	AfDF	AfDF
Zimbabwe	Australia	United Kingdom	Australia

Table A20. Remittances to priority countries, 2011–2013, US$ millions

Country	2011	2012	2013
India	59,478	67,258	72,579
Nigeria	20,593	20,633	19,501
Pakistan	12,401	14,007	14,685
Bangladesh	12,261	14,085	12,900
Nepal	3,987	4,793	5,699
Yemen	1,451	1,404	2,998
Haiti	1,583	1,612	1,709
Senegal	1,389	1,478	1,583
Kenya	1,059	1,227	1,281
Uganda	926	733	887
Afghanistan	458	460	802
Mali	462	473	739
Ethiopia	640	524	630
Lesotho	591	602	603
Sudan	427	401	391
Cote d'Ivoire	349	373	357
Liberia	375	360	349
Togo	331	337	322
Mozambique	167	164	217
Cameroon	109	115	199
Rwanda	180	182	177
Cambodia	164	256	172
Benin	137	139	165
Niger	126	134	135
Ghana	147	152	131
Burkina Faso	116	120	120
Zambia	46	73	72
Guinea	68	65	62
Tanzania	87	67	62
Comoros	-	-	55
Sierra Leone	66	59	54
Guinea-Bissau	40	46	45
Burundi	46	46	45
Malawi	13	17	31
Papua New Guinea	4	3	19
Congo, Dem. Rep.	-	-	12
Angola	0	0	0
Congo, Rep.	-	-	-
Madagascar	-	-	-
Chad	-	-	-
Mauritania	-	-	-
Zimbabwe	-	-	-
Central African Republic			
Somalia			
South Sudan			

Table A21. Loans to priority countries, 2011–2013, US$ millions

Country	2011	2012	2013
India	34,122	44,895	66,190
Angola	5,048	4,215	7,584
Cote d'Ivoire	408	833	2,778
Pakistan	3,190	2,312	2,720
Papua New Guinea	8,770	10,735	1,844
Ghana	492	1,597	1,794
Zimbabwe	1,631	1,433	1,653
Ethiopia	2,112	2,309	1,119
Mozambique	160	31	1,106
Tanzania	680	186	891
Bangladesh	-	2,091	770
Cameroon	-	60	657
Rwanda	-	-	402
Sudan	765	405	278
Zambia	788	1,333	252
Cambodia	-	60	236
Togo	-	127	147
Chad	-	73	139
Senegal	546	746	124
Haiti	347	346	118
Benin	114	116	89
Niger	708	-	76
Malawi	152	-	72
Nepal	165	160	36
Mali	0	275	33
Sierra Leone	107	-	17
Central African Republic	16	18	17
Kenya	27	677	13
Madagascar	0	138	10
Somalia			-
Liberia	-	-	-
Afghanistan	-	-	-
Burkina Faso	-	-	-
Mauritania	-	-	-
Lesotho	-	-	-
Guinea-Bissau	-	3	-
Guinea	34	-	-
Burundi	-	60	-
Uganda	-	554	-
Congo, Rep.	325	472	
Nigeria	999	1,155	
Yemen	3,258	4,273	
South Sudan			
Comoros	-	-	
Congo, Dem. Rep.	-	289	

Table A22. FDI flows to priority countries, 2011–2013, US$ millions

Country	2011	2012	2013
India	34,161	25,543	25,165
Nigeria	8,904	7,029	6,724
Mozambique	2,828	5,218	5,631
Congo, Dem. Rep.	1,812	3,312	3,305
Ghana	3,140	3,295	3,079
Zambia	1,108	1,066	1,717
Ethiopia	782	970	1,542
Cambodia	920	1,557	1,416
Mauritania	526	1,204	1,395
Bangladesh	1,154	990	1,201
Uganda	1,015	1,721	1,181
Liberia	529	1,354	958
Pakistan	1,342	847	861
Niger	1,000	793	790
Madagascar	792	895	772
Guinea	1,012	744	561
Sierra Leone	802	740	508
Cameroon	231	507	502
Zimbabwe	398	400	390
Mali	543	310	381
Chad	274	323	329
Burkina Faso	41	40	322
Senegal	318	338	271
Benin	158	159	270
Kenya	380	259	248
Sudan		2,466	239
Tanzania	1,369	1,706	213
Rwanda	110	160	161
Haiti	185	179	152
Malawi	94	129	149
Somalia			107
Afghanistan	83	94	95
Nepal	90	92	94
Togo	168	166	89
Central African Republic			64
Lesotho	120	172	55
Papua New Guinea	- 336	29	26
Comoros	22	17	10
Guinea-Bissau	22	16	7
Burundi	3	1	1
South Sudan		-	-
Yemen	- 536	349	- 488
Angola	- 3,184	- 6,898	- 6,843
Cote d'Ivoire	267	478	
Congo, Rep.	2,790	2,758	

Table A23. OOFs to priority countries, 2011–2013, US$ millions

Country	2011	2012	2013
India	2,360	2,349	2,052
Pakistan	503	730	539
Bangladesh	196	309	358
Nigeria	90	6	252
Mauritania	28	150	126
Papua New Guinea	10	30	85
Ghana	14	48	59
Kenya	-	21	38
Cote d'Ivoire	-	43	35
Senegal	29	95	34
Tanzania	-	-	33
Cameroon	31	34	29
Rwanda	8	13	27
Uganda	12	27	23
Lesotho	-	-	20
Cambodia	-	7	10
Niger	-	0	10
Togo	-	18	8
Zimbabwe	-	-	8
Haiti	-	2	3
Sudan	22	43	2
Liberia	-	-	1
Central African Republic	-	-	-
Somalia	-	-	-
Mozambique	-	-	-
Burundi	-	-	-
Angola	-	-	-
South Sudan	-	-	-
Malawi	-	-	-
Guinea-Bissau	-	-	-
Afghanistan	-	-	-
Congo, Rep.	-	-	-
Comoros	-	-	-
Nepal	-	-	-
Mali	-	0	-
Congo, Dem. Rep.	-	0	-
Burkina Faso	-	1	-
Benin	1	1	-
Guinea	-	2	-
Zambia	-	5	-
Yemen	5	-	-
Madagascar	19	-	-
Sierra Leone	-	28	-
Chad	-	32	-
Ethiopia	92	-	-

[i] These findings and recommendations come from the full report, Essential element, WaterAid Development Initiatives, 2015, which can be found at www.wateraid.org.
[ii] Least Developed Country status is further used to identify a clear group of countries emerging from the data.
[iii] The 36 countries in Sub-Saharan Africa are Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Congo Republic, Cote d'Ivoire, Ethiopia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Tanzania, Togo, Uganda, Zambia and Zimbabwe. The 5 countries in South and Central Asia are Afghanistan, Bangladesh, India, Nepal, and Pakistan.
[iv] Includes grants and concessional loans within the ODA definition.
[v] See Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) report 2014.
[vi] The six countries are Angola (1.8 diarrhoeal deaths per 1000 live births), Democratic Republic of Congo (1.67), Central African Republic (1.62), Somalia (1.53), Chad (1.38) and Sierra Leone (1.35). The average across all developing countries is 0.28.
[vii] Government revenue per capita, excluding grants, at Purchasing Power Parity (Source: International Monetary Fund). Government revenue excluding grants assesses availability of domestic resources (revenue) and the scale of demand for resources per capita.
[viii] FDI is investment from overseas into a developing country enterprise. Other official flows are typically loans made by donors to the private and public sector in developing countries. Remittances are funds transferred by migrant workers to their home country from the country they are working in.
[ix] Government revenue – includes government tax, non-tax revenue (property income, administration fees, fines) and capital revenue (sales of assets or stocks). It does not include Government borrowing.
[x] The 'Health' sector is defined as Creditor Reporting System codes 120 'Health' and 130 'Population policies/programmes and reproductive health'.
[xi] Data on private spending in the water and sanitation sector is collected and provided through WASHfunders, an initiative of the Foundation Center to provide data on philanthropic and other funding to the sector. 2012 is the latest available data.
[xii] The Paris Declaration, Accra Agenda for Action and Busan Partnership Agreement agreed a series of commitments built around core principles of country ownership, alignment, harmonisation, results and mutual accountability.
[xiii] The 19 countries are the Democratic Republic of Congo, the Central African Republic, Sierra Leone, Madagascar, Ethiopia, Burundi, Tanzania, South Sudan, Liberia, Haiti, Guinea, Benin, Mauritania, Bangladesh, Nigeria, Côte d'Ivoire, Zimbabwe, Pakistan and Yemen.
[xiv] Potentially these financing gaps could be filled from all sources, public and private or household.
[xv] There are a number of limitations to this analysis of the finance gap, described in more detail in the report, yet the analysis serves to highlight aid volumes in the context of the finance gap. A more up-to-date costing of the sustainable development goals, including Goal 6, is expected to be developed as part of the United Nations-led financing for development discussions.
[xvi] We spend around $867 billion each year as individual consumers on soft drinks, for which clean and safe freshwater is the key ingredient (Euromonitor, 2014). This is one hundred and thirty times more than the total amount of ODA disbursed by Organisation for Economic Co-operation and Development countries to support the supply of safe water and sanitation (US$6.6 billion). The global arms industry has been estimated at US$1.7 trillion a year: for

this industry the equivalent amount of aid to water and sanitation in one year is spent in less than one day and a half. http://www.globalissues.org/article/75/world-military-spending, 2012.